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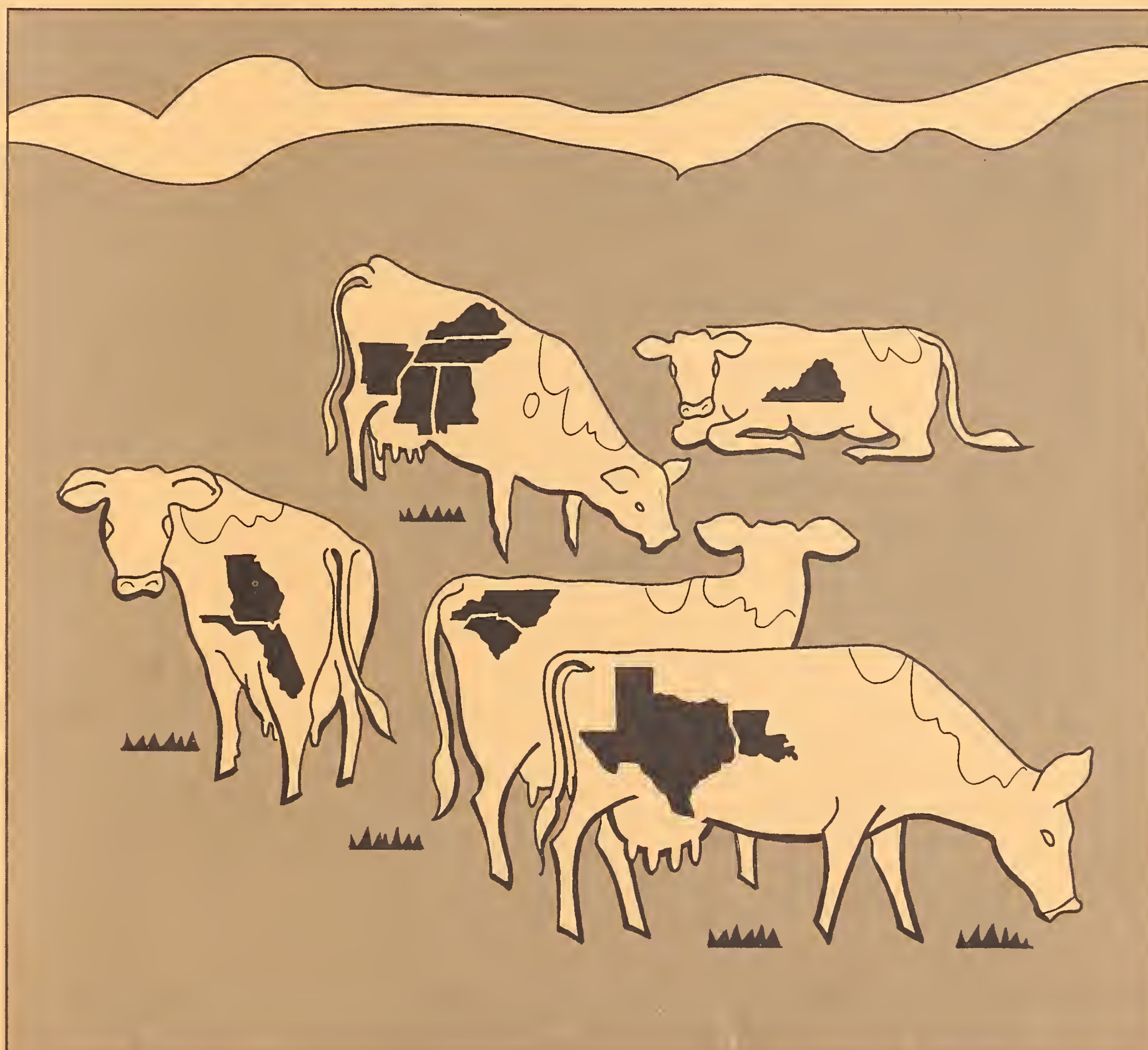
Southern Dairy Farmers' Evaluation of Milk Handlers



Abstract

Southern Dairy Farmers' Evaluation of Milk Handlers

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Southern dairy farmers' perception of their cooperative's or proprietary handler's performance, level of satisfaction with the milk handler, and reasons for staying with the handler, or for shifting handlers, were evaluated. The data were from a 1989 mail survey of Southern dairy farmers. The dairy farmers' differing evaluations of their milk handlers depended on the type of handler they dealt with, geographic location, and/or the characteristics of the farm and farmer. Generally, dairy farmers were concerned about price, deductions, and assessments. The price farmers received appeared to be a significant factor affecting farmers' satisfaction level. There appeared to be a tradeoff between price and deductions versus service, and market and payment assurance. Dairy farmers wanted cooperatives to provide an assured market for members' milk.

Keywords: Cooperative, milk handler, proprietary handler, assured market, price, S-217

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Preface

Dairy marketing cooperatives play an important role in the Southern milk industry. In 1987, the year for which the most recent complete data are available, 79 percent of grade A milk in the South was marketed by cooperatives.

In addition to marketing milk, dairy cooperatives provide services to their members and to the market. These may include field services, guaranteeing a market for members' milk, balancing milk supplies, and procuring supplemental milk to satisfy customer/handlers' demand when local supply is short.

Cooperatives may not be fully compensated for the costs incurred in providing these services. For example, field services may be provided to members free of charge, or at a rate not commensurate with the actual cost. Guaranteeing a market and balancing milk supplies may require cooperatives to maintain processing and/or manufacturing facilities, which may be costly to operate when milk supplies are tight. If milk is in short supply and must be imported from outside the region to fulfill supply contracts, cooperatives may not recover the full costs of procuring and shipping the milk.

Costs not fully recovered in providing these services must be absorbed by cooperatives and passed back to member producers, usually in the form of lower milk pay prices. In contrast, proprietary handlers that do not provide these services may be able to pay a higher price for milk. Producers not satisfied with the pay prices or services provided tend to change handlers from time to time. Although differences in pay prices and services are sometimes real, they often are matters of perception. Nevertheless, they are the main reasons dairy farmers change handlers.

A survey of Southern dairy farmers was conducted by members of the Southern Dairy Marketing Research Committee (S-217) to evaluate dairy farmers' perception of their cooperative's or proprietary handler's performance, to determine farmers' level of satisfaction with their current handlers, and to ascertain their reasons for staying with the current handlers or for shifting handlers. Data were also collected on milk prices received by producers, premiums, and deductions. The price information was for the month of December 1988. The survey was conducted in February 1989. The survey was partially funded by the Agricultural Cooperative Service (ACS) and covered 12 Southern States (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia).

Survey data were compiled and edited by participating experiment stations. Jack Kirkland and Bob Nelson of Alabama were responsible for data entry and preliminary data processing. Preliminary results based on a portion of the data have been reported by Professor Dale Carley of the University of Georgia at the 1990 Southern Dairy Conference, and at the State level by the experiment sta-

tions. This report expands the analysis done by Carley and others. Data on milk prices will be analyzed in separate reports.

This report is a product of the S-217 project, "Economic and Technical Forces Shaping the Southern Dairy Industry." Cooperating agricultural experiment stations (AES), agencies, and principal contributors are:

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The authors of this report are solely responsible for the analysis presented.

Contents

Highlights

Southern dairy farmers were surveyed to evaluate their opinions of their milk handlers and to determine their reasons for changing or not changing milk handlers. Dairy farmers, as might be expected, were concerned about their "take home pay." The major issues expressed were price, deductions, and assessments. Dairy farmers also wanted cooperatives to provide an assured market for members' milk, a basic function of milk marketing cooperatives.

The dairy farmers' differing evaluations of their milk handlers depended on the type of handler they dealt with, geographic location, and/or the characteristics of the farm and farmer. Responses indicated that some dairy farmers will change handlers because of specific differences between handlers, while others will remain with the same handler despite some differences. Because there were noted regional differences in farm size, care should be used in interpreting data based on the size of farm operation. In some cases, the dairy farmers' evaluations of their handlers reflect that the size of their operations may have been less of a factor than were the milk handler situation and farmer attitude in a particular region.

Satisfaction With Current Milk Handler and Reasons for Choosing Handler

The prices that farmers receive may be one of the most significant factors affecting satisfaction level. Groups that most frequently indicated being very satisfied with their current handler also most frequently felt that prices they received were higher than those received by other farmers in their area.

Farmers that chose their current milk handler for only one reason appeared less satisfied than those whose choices were based on more than one criterion. The most satisfied farmers said they picked their current milk handler because of lowest deductions, friendly personnel, and/or highest pay prices.

Some tradeoffs appeared between price and deductions versus service and market and payment assurance. Farmers most frequently chose to market through cooperatives to get an assured market and payment, higher prices and better services, in contrast to those who sold to proprietary handlers to gain higher prices and/or because of friendly personnel.

Reasons for Changing Milk Handlers

Only 18 percent of the farmers had changed handlers in the past 5 years, 57 percent of whom had changed to a cooperative (from another cooperative or from a proprietary handler) and 29 percent of whom had changed from a cooperative to a proprietary handler. Groups with smaller dairy operations (in terms of herd size and acreage) showed a smaller percentage of farmers changing handlers in the past 5 years than those with larger operations.

The most frequently cited reasons for changing milk handlers were low milk prices and high assessments and deductions. Both reasons were more important for farmers who changed from a cooperative to a proprietary handler. Low milk price was stated as a reason to change milk handlers the most frequently by farmers in the Carolinas and the least frequently by farmers in the Southeast region (Georgia, Florida). Because of price, farmers with 75 to 149 milking cows changed handlers twice as frequently as farmers with more than 300 milking cows.

Reasons for Staying With the Same Milk Handler

A stable and secure operation was the reason most frequently given by farmers for staying with the same handler over the past 5 years, followed by receiving a better price. This did not vary meaningfully according to region. The reasons farmers indicated they stayed with the same milk handler were more uniform across farm types, and conversely, the reasons farmers changed handlers seemed more linked to certain farm characteristics, such as size of the operation.

Opinions of Cooperative's Services and Performance

An assured market, one of the primary benefits claimed by milk marketing cooperatives, was rated excellent by the highest percentage of members of both bargaining-only and bargaining/operating cooperatives. A low percentage of members of both types of cooperatives thought their cooperatives provided significant benefits to nonmembers, although bargaining/operating cooperative members thought so twice as often, indicating that cooperative members were not aware of "free rider" problems. Thus, cooperatives may need to educate members on the benefits cooperatives provide in the overall marketplace.

Members of bargaining-only cooperatives more frequently indicated that their cooperative provided a better price than they could get elsewhere, while members of bargaining/operating cooperatives indicated more frequently than bargaining-only members that their cooperative provided better services than other handlers. The differing focus of each type of cooperative was reflected in the farmers' responses.

Farmers in each region appeared to be fairly confident about their cooperative's performance. Cooperatives in Virginia and the West South Central region (Texas, Louisiana) most often had the highest proportion of farmers ranking each cooperative service excellent. However, a higher proportion of members in the East South Central region (Alabama, Arkansas, Kentucky, Tennessee, Mississippi) felt that their cooperative did not pay milk prices as high as other handlers and did not hold down costs. Fewer cooperative mem-

bers in the Carolinas rated their cooperative's marketing information dissemination and leadership in policymaking matters excellent, as compared to members in other regions. Cooperatives operating in the East South Central region received lower ratings in their leadership in policymaking matters also. Cooperatives in the Southeast region were not rated as high in their field services as were cooperatives in other regions.

As the size of the dairy operation (herd size and acreage) and the annual milk production per cow increased, the percentage of farmers rating their cooperatives excellent in providing an assured market rose. The proportion of farmers rating the cooperative excellent in checking milk weights and test, providing market information, and providing leadership also increased as herd size increased.

Changes Needed to Keep Cooperative Competitive

Bargaining-only cooperative members seemed to want their cooperative to stay bargaining-only cooperatives because they did not display much interest in joint ownership of plants (whether with other cooperatives or noncooperative corporations). On the other hand, bargaining/operating cooperative members expressed the desire for their cooperative to do more than just market milk.

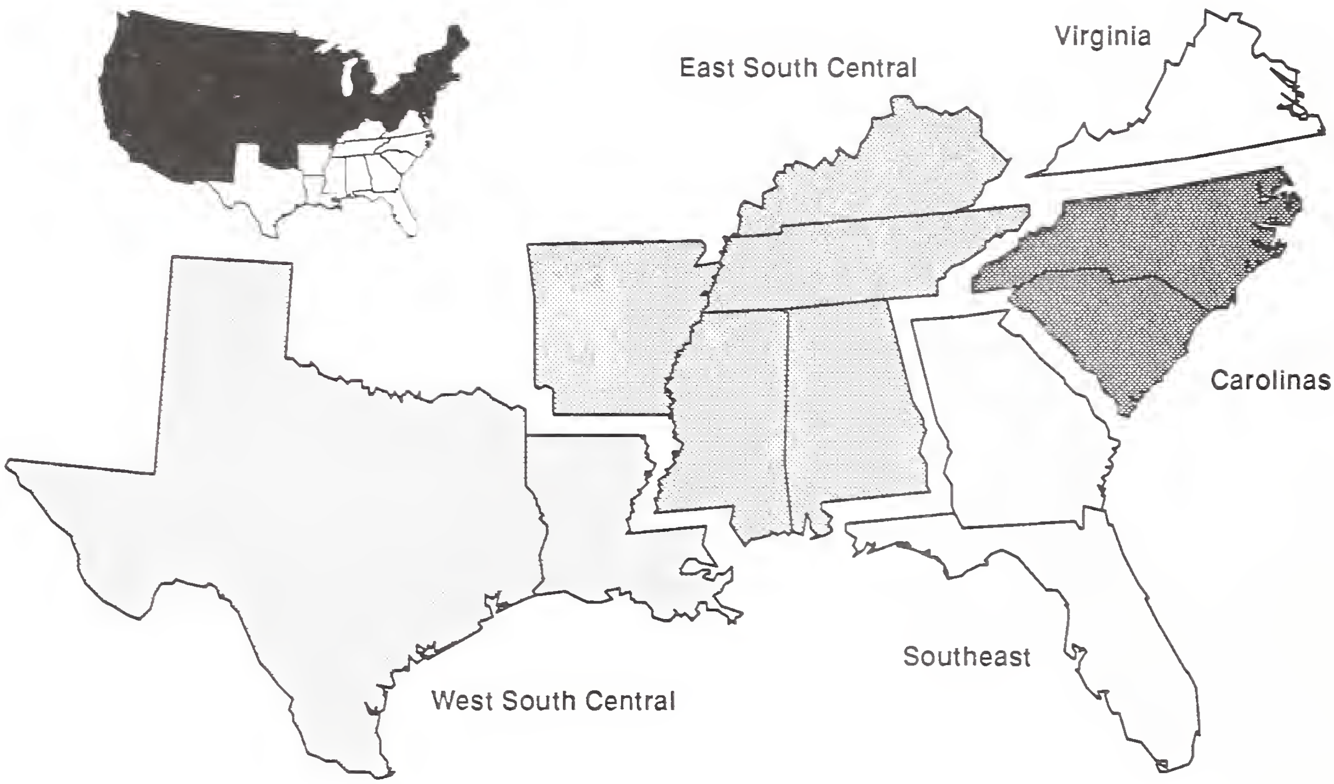
Farmers in the various regions had differing opinions as to what changes cooperatives need to make to remain competitive. A majority of the dairy farmers in the East and West South Central regions agreed that their cooperative should increase profitability by processing or manufacturing more of their members' milk. Farmers in the Southeast appeared split over whether their cooperative should process or manufacture more of their members' milk. Southeast farmers were least in favor of merging hauling operations with other cooperatives. But the Southeast farmers, along with those in the East South Central region, showed the highest proportion in favor of, or undecided about, merging all operations with other cooperatives. One-half or more of the farmers in each region, except the Carolinas, wanted their cooperative to do more than just market milk.

In general, a larger portion of farmers agreed that cooperatives should process or manufacture more member milk than those who agreed that member investment should be increased to do it. This apparent unwillingness of farmers to increase investment to increase profits was seen in all groupings of farmers.

Member Participation in Their Cooperative

A higher proportion of bargaining/operating cooperative members participated in various cooperative activities than did members of bargaining-only cooperatives. Members in the Southeast were more active in their cooperatives than were members in other regions. A lower proportion of cooperative members in Virginia and the East and West South Central regions did not vote in cooperative elections, as compared to other regions. In addition, a lower proportion of those in Virginia and the East South Central regions personally contacted cooperative management about problems and concerns. The larger the farm in terms of herd size, annual milk production per cow, and acreage, the higher the percentage was of farmers that participated in each cooperative activity or function.

Southern Dairy Regions



Southern Dairy Farmers Evaluation of Milk Handlers

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The organizational structure of dairy farmers in the South consists of milk marketing cooperatives with and without their own processing facilities and proprietary milk handlers who purchase anywhere from 0 to 100 percent of their milk from cooperatives. Cooperatives guarantee a market for their members' milk and obligate themselves to provide processing customers with milk. Cooperatives encounter added costs procuring additional milk when customers require more than the membership produces. These costs affect members' milk checks.

Cooperatives also obligate themselves to dispose of seasonal and chronic surpluses. Costs of supply balancing in the market come out of producer members' milk checks. Independent farmers (those not members of a cooperative) selling directly to milk processors generally avoid the costs of supply balancing. Milk processors needing supplemental supplies may buy additional milk from cooperatives and may either absorb the additional costs or shift the costs to cooperatives.

Due to the costs of balancing milk supplies and marketing competition faced by some cooperatives, the prices paid by cooperatives at times differ from those paid by proprietary milk handlers. Price and income differences among dairy farmers influence their choices among alternative market affiliations with cooperatives or proprietary milk handlers. A difference in milk price of only $0.25 per hundredweight amounts to $3,750 in annual gross income when just 1.5 million pounds of milk are sold annually (which is equivalent to the milk produced by a herd of 100 cows, each producing 15,000 pounds of milk annually). However, an independent dairy farmer selling directly to a milk handler faces a greater risk than selling through a cooperative because a market for the milk is not necessarily guaranteed. Dairy farmers, as they increase in size (and magnitude of price risk), may give more attention to alternative market affiliations.

Organizational and market instability among dairy farmers and dairy farmer organizations may have both positive and negative effects. Some movement between handlers by dairy farmers may encourage competition, causing cooperative boards and management to evaluate price differences and correct equity problems. On the other hand, dairy farmer unrest can lead to: (1) inefficient movement of milk supplies because farmers change handlers, (2) a farmer's lack of confidence in marketing organizations, resulting in the marketing organizations' inability to make necessary changes, and (3) farmers/cooperatives' inability to bargain for prices exceeding Federal order minimums.

To evaluate dairy farmers' opinions of their milk handlers and to determine reasons for changing or not changing handlers, Southern dairy farmers were surveyed in February 1989. Price information collected was for the month of December 1988. Research economists from 11 Southern States and two agencies of the United States Department of Agriculture (USDA)[1] participated in the study. The survey was partially funded by ACS.

Data were obtained from a random sample of dairy farmers located in 12 Southern States. The questionnaire was mailed to 5,660 dairy farmers in the region. Usable responses were obtained from 2,538 dairy farmers (about 45 percent). The returns consisted of nearly 25 percent of the total grade A dairy farmers in the 12 Southern States: Alabama,

[1]The Economic Research Service (ERS) and the Agricultural Cooperative Service (ACS).

Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia.

This report presents results of the survey. The specific objectives of this report are to: (1) give an overall picture of the characteristics of dairy farmers responding to the survey, (2) reflect the degree of dairy farmers' satisfaction with their current milk handlers, (3) ascertain their reasons for changing or not changing milk handlers, (4) evaluate dairy farmers' opinions of the performance and services of their milk marketing cooperative, and (5) examine whether the preceding objectives are affected by farm characteristics or show any geographical patterns.

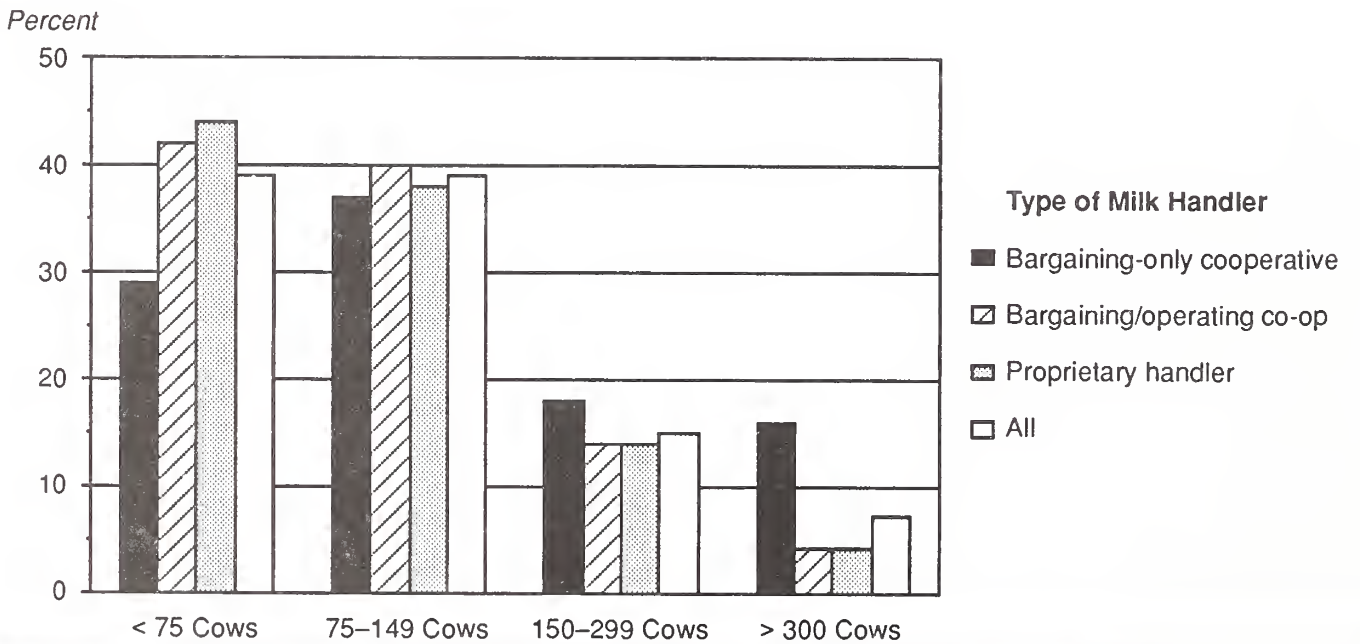
Several experiment stations in the 12 Southern States have also published reports with results at the State level and on other topics based on the data from this survey. A forthcoming ACS research report will examine the differences in milk prices received by cooperative members and nonmembers in an attempt to quantify the value of belonging to a cooperative.

A PROFILE OF THE DAIRY FARMER RESPONDENTS

For a general overview of the Southern dairy farmers responding to the survey, the data were classified by the type milk handler to which milk was sold. Dairy farmers were classified into three groups: (1) members of bargaining-only cooperatives (where the cooperative does not own processing or manufacturing facilities but may be engaged in other activities, such as hauling milk), (2) members of bargaining/operating cooperatives (where the cooperative sells part of the milk raw and owns processing and/or manufacturing facilities), and (3) nonmembers of cooperatives but had sold milk through proprietary handlers. Of the 2,538 respondents, 657 belonged to bargaining-only cooperatives, 1,423 were bargaining/operating cooperative members, 427 were not members of a cooperative, and 31 did not provide enough information to be classified.

In terms of herd size, 78 percent or more of the farmers responding had herds of fewer than 150

Figure 1— Distribution of Dairy Farmers by Herd Size



cows (fig. 1). The distribution of Southern dairy farmers by herd size was similar for members of bargaining/operating cooperatives and those selling to proprietary handlers, but a higher percentage of bargaining-only cooperative members had milking herds with more than 300 cows. The average herd size was 115 cows for both bargaining/operating members and for those selling to proprietary handlers, but it was 253 milking cows for bargaining-only cooperative members (table 1). All respondents averaged 152 milking and dry cows; the range was from 10 head to 13,000 head. Each cow produced 14,578 pounds of milk per year on average, with little variation among the averages of the different groups. But, members of bargaining/operating cooperatives showed the highest average milk production per cow.

The dairy farm size averaged 377 acres, ranging from 5 to 15,000 acres. Of the total acreage, an average of 150 were cultivated for crops, 122 were used for pasture, and 85 were used for hay.

The age distribution of Southern dairy farmers was similar for all three groups, with bargaining/operating cooperatives having a slightly higher percentage of members 60 years of age and older (fig. 2). The average principal dairy farm operator in the Southern region was 47 years old (ranging from 18 to 82 years), had been in the dairy business for 22 years (ranging from 0.3 to 54 years), and had sold to their current handler for about 12 years. On average, those selling to proprietary handlers were with their current handler the least amount of time (7 years), followed by bargaining-only cooperative members (9 years). Bargaining/operating cooperative members had sold through their cooperative the longest (15 years on average).

Southern dairy farmers had an average of one and one-half alternative handlers to sell milk to in

Table 1—Characteristics of Southern dairy farms/farmers

	Type of Current Milk Handler			
	All	Bargaining-only co-op	Bargaining/operating co-op	Proprietary handler
Number of farmers	2,538	657	1,423	427
Herd size (hd)	152	253	115	115
Replacements (hd)	89	137	72	78
Annual milk per cow (lb)	14,578	14,573	14,594	14,566
Crop acres	149.5	185.7	134.9	151.8
Pasture acres	122.0	149.8	113.6	106.4
Hay acres	85.2	98.3	82.0	76.9
Total acres 1/	376.7	444.4	348.9	371.3
Age of operator (yr)	47.3	47.0	47.7	46.1
Years in dairying	22.0	21.9	22.1	21.4
Years selling to current handler	11.9	8.6	14.8	6.9
Number of alternatives	1.5	1.6	1.3	2.1
proprietary (%)	36	28	36	50
cooperatives (%)	62	75	50	83
Proprietary representatives				
–number	1.5	1.8	1.4	1.6
–farmers contacted (%)	17	11	16	30
Co-op representatives				
–number	1.4	1.4	1.4	1.6
–farmers contacted (%)	17	14	15	28

1/ Includes woodland and farmstead acreage, in addition to crop, pasture, and hay acreage

addition to their current handler. About 62 percent of the respondents said that, in addition to their current handler, a cooperative also picked up milk in their area, while only 36 percent had the additional option of selling to a proprietary handler. About 17 percent of the respondents had been contacted by a proprietary milk plant representative and/or a cooperative representative in the last 12 months. Interestingly, a higher percentage of those currently selling to proprietary handlers were contacted by both proprietary milk plant representatives (30 percent) and cooperative representatives (28 percent) than those currently selling through cooperatives. This indicates that competition for recruiting producers was more intense among nonmembers.

Most dairy farms surveyed (60 percent) were individually owned and 27 percent were some form of partnership (fig. 3). The distribution of ownership arrangements was similar for the three groups selling to different types of handlers. Only 5 percent of the farmers had sales of milk and dairy animals making up less than 50 percent of total farm income (fig. 4). Eighty percent of the farmers received 80 percent or more of their total farm income from the dairy enterprise.

A farmer's financial position was measured by the percentage of the sales value of the entire farming operation that would remain after paying off all debt. The distribution between different debt-to-asset levels was quite similar for all three types of handler groups. Overall, 20 percent of the dairy farmers were debt free, while 6 percent had debts exceeding assets. The majority (66 percent) would have more than 50 percent of the value of their assets left after paying off all debts (fig. 5).

The length of time that dairy farmers expected to stay in business was quite uniform across all three types of handler groups. However, 39 percent of all respondents were not sure how long they would remain in the dairy business and 13 percent indicated that they were staying 5 years or less (fig. 6).

Figure 2— Distribution of Dairy Farmers by Age of Principal Operator

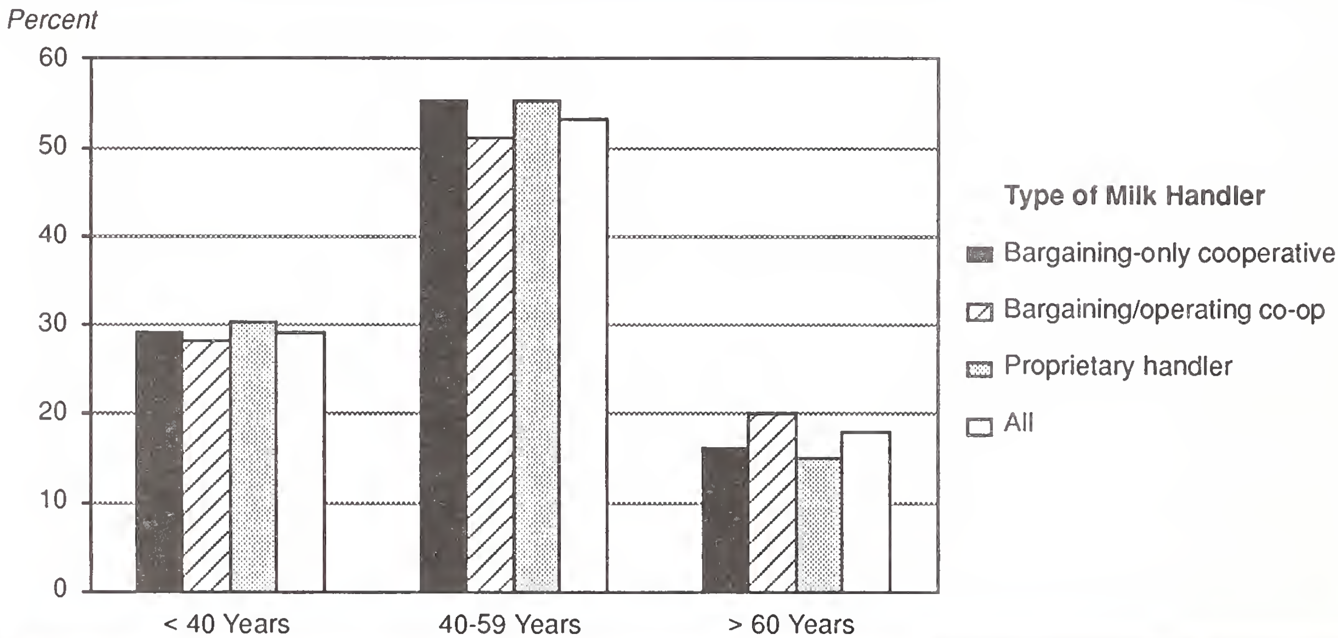


Figure 3— Distribution of Dairy Farmers by Ownership Arrangement

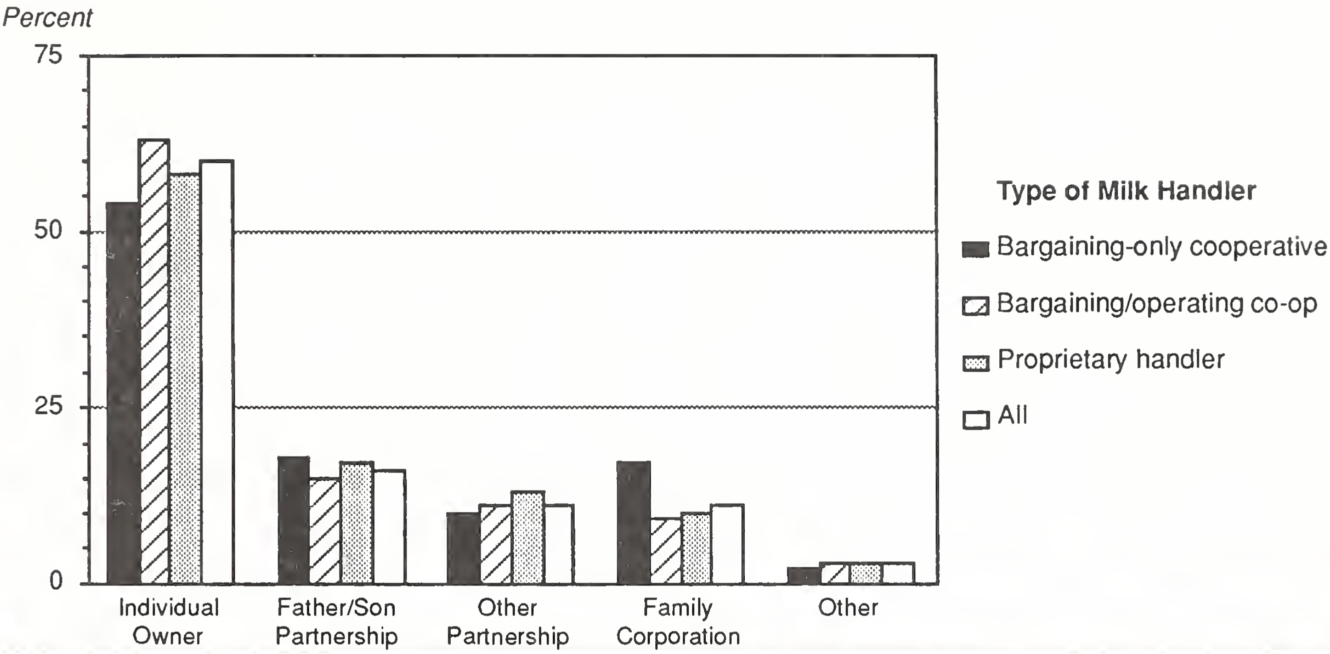


Figure 4— Distribution of Dairy Farmers by Percent of Farm Income from the Dairy Enterprise

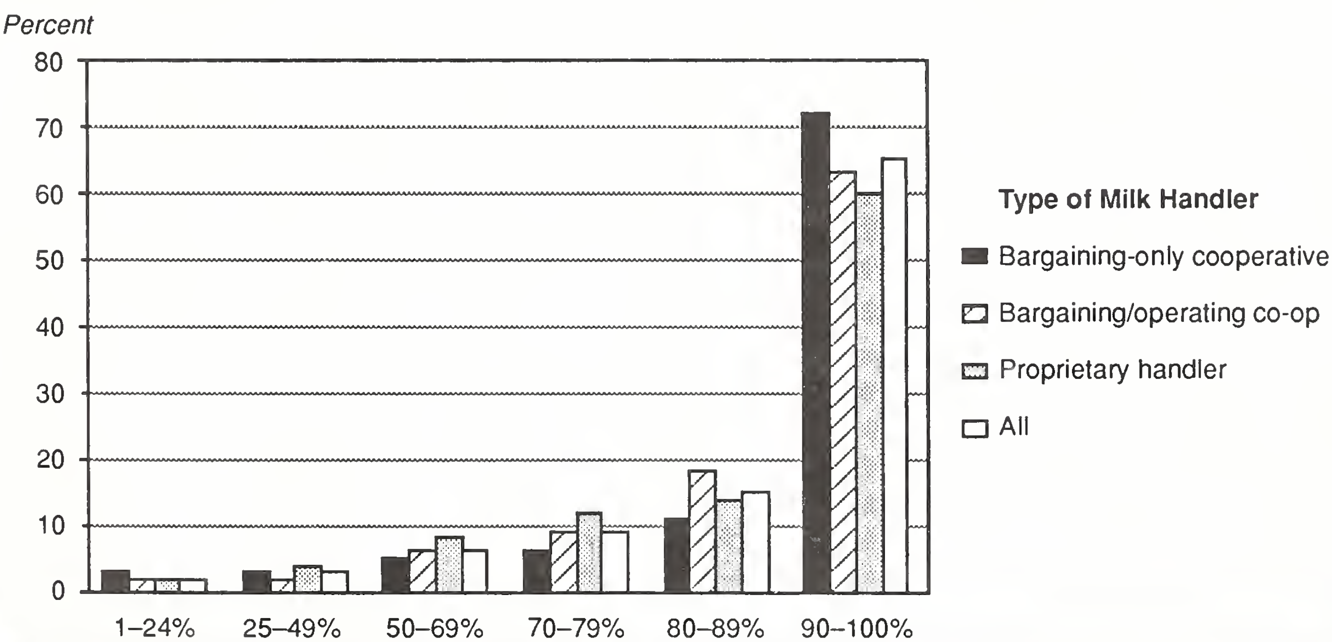


Figure 5— Distribution of Dairy Farmers by Percent of Asset Value Left after All Debts Repaid

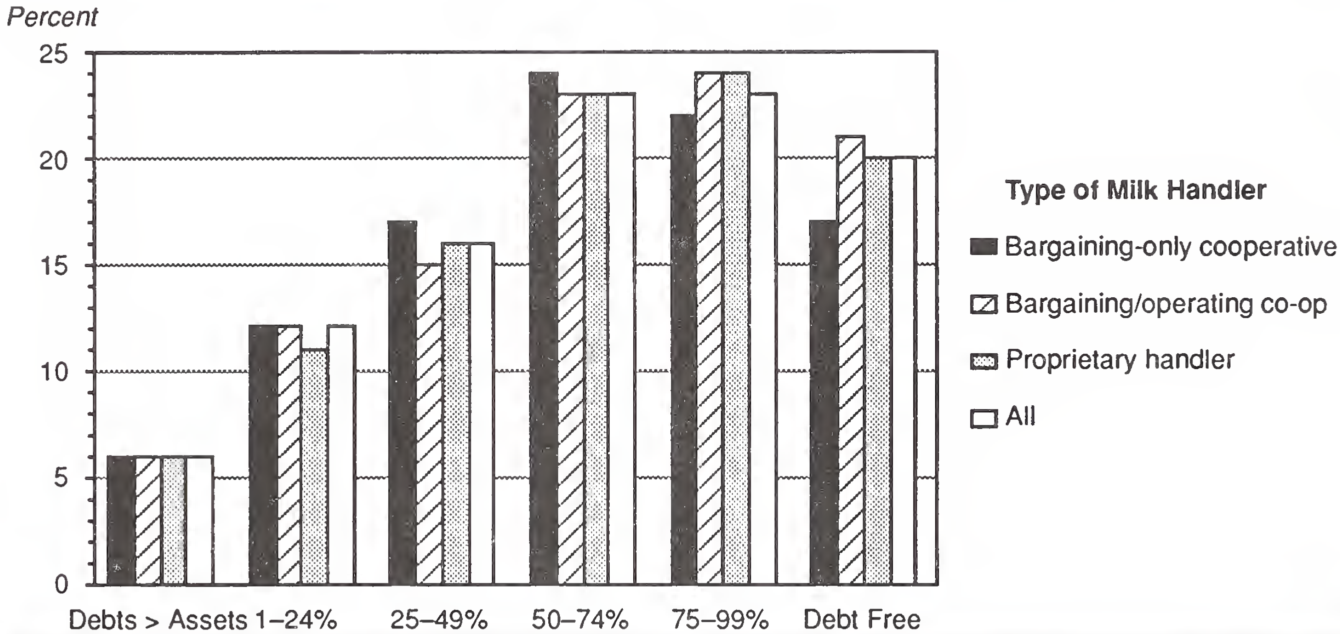
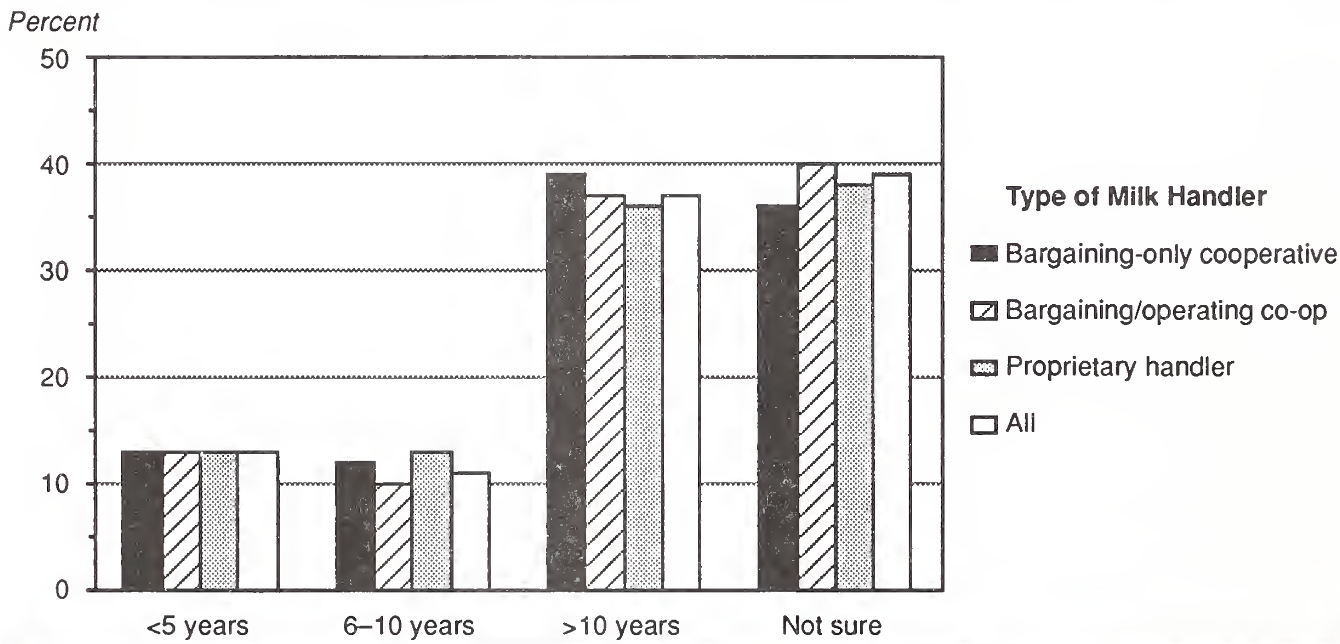


Figure 6— Distribution of Dairy Farmers by How Long They Expect to Continue Dairying



EVALUATION OF MILK HANDLERS BY FARMERS IN 12 SOUTHERN STATES

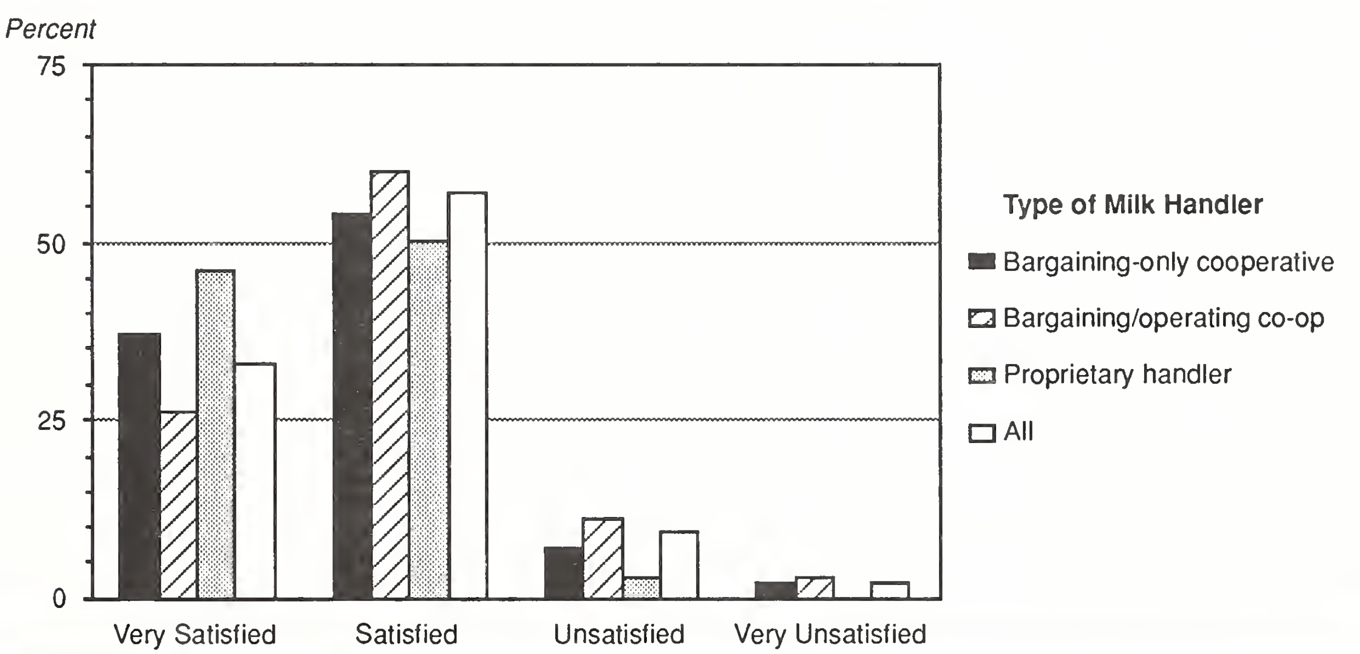
Satisfaction with Current Milk Handler

Eighty-six percent of the members of bargaining/operating cooperatives and 96 percent of the farmers delivering to proprietary handlers reported being satisfied or very satisfied with their current milk handler. The proprietary handlers had the largest proportion of very satisfied farmers (46 percent), and the bargaining/operating cooperatives had the lowest percentage (26 percent) of farmer members that were very satisfied with their handler (fig. 7). About 14 percent of the dairy farmers belonging to bargaining/operating cooperatives were unsatisfied or very unsatisfied with their cooperatives, and about 9 percent belonging to the bargaining-only cooperatives expressed the same degree of dissatisfaction. None of the farmers selling to proprietary handlers reported being very unsatisfied with their milk handler, but a small proportion of the cooperative members reported being very unsatisfied.

Of the farmers that changed handlers in the past 5 years, those that made a change to a cooperative seemed less satisfied than those that switched to a proprietary handler (fig. 8). Cooperative managers should note that the highest percentage of very satisfied farmers were those who had turned away from cooperatives and that the lowest percentage of farmers that indicated they were very satisfied with their current handler were those that had switched to a cooperative from a proprietary handler.

Even when categorizing the groups of farmers by farm or farmer characteristics, the highest percentage of very satisfied farmers in every classification were those selling to proprietary handlers, and the lowest were those selling to bargaining/operating cooperatives. Little difference in the relationship of their answers according to handler type could be detected for most of these groupings by herd size, milk production per cow, the number of years as a dairy farmer, the age of the principal operator, the number of different handlers sold to in the past 5 years, the alternatives to current han-

Figure 7— Distribution of Dairy Farmers by Satisfaction Level



dler available, the number of bonuses and supplementary payments received, the length of time they expect to remain in the dairy business, and the value of assets after debts were repaid.

However, the pattern of farmers' satisfaction level for the different farm or farmer characteristics varied between handler types (appendix table 1). For example, a higher percentage of bargaining-only cooperative members in the larger herd-size categories were very satisfied with their milk handler compared to those with smaller herd sizes, but the opposite was true for farmers selling to proprietary handlers. Also, for members of cooperatives, a higher percentage of farmers that had been dairying 15 years or longer indicated they were very satisfied with their current handler compared to those cooperative members dairying less than 15 years. The reverse pattern was seen for farmers selling to proprietary handlers.

For farmers shipping to bargaining-only cooperatives, forty-five percent of those receiving two or more bonuses or premiums were very satisfied, compared to 27 percent of those receiving one or none. The satisfaction level of bargaining/operating cooperative members and farmers selling to proprietary handlers seemed unrelated to the number of bonuses or premiums received.

As could be expected, a much lower percentage of the farmers who had to change handlers in the past 5 years due to a plant closing or a handler going out of business reported being very satisfied with their current milk handler than did the farmers who changed handlers voluntarily (28 versus 44 percent, appendix table 2 and fig. 9). Also, those farmers that stayed with the same handler for the past 5 years had the highest percentage of farmers that were unsatisfied or very unsatisfied with their current handler (12 versus 8 percent for both of the other groups).

Of those that changed handlers in the past 5 years, a higher percentage of those changing to a bargaining-only cooperative or a proprietary handler were very satisfied compared to those that had changed to a bargaining/operating cooperative (41 and 52 percent, respectively, compared to 29 percent). A similar pattern held for those not changing

Figure 8— Distribution of Dairy Farmers by Satisfaction Level

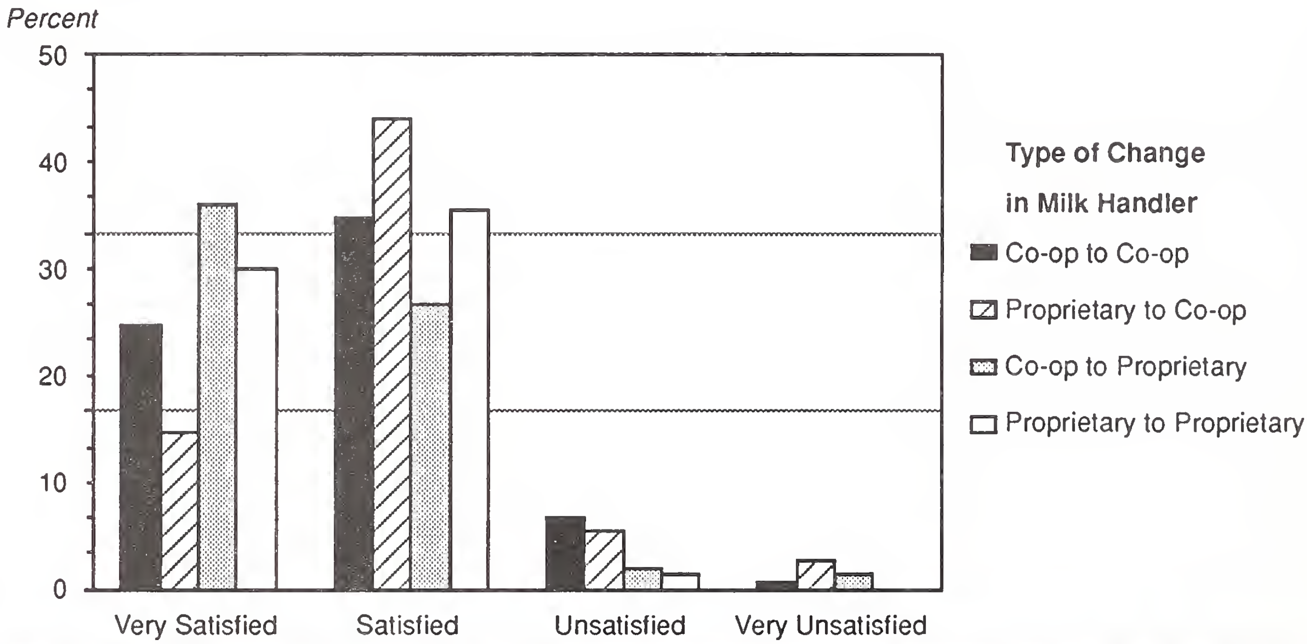


Figure 9— Distribution of Dairy Farmers by Satisfaction Level and Whether or not Changed Handlers in Past 5 Years

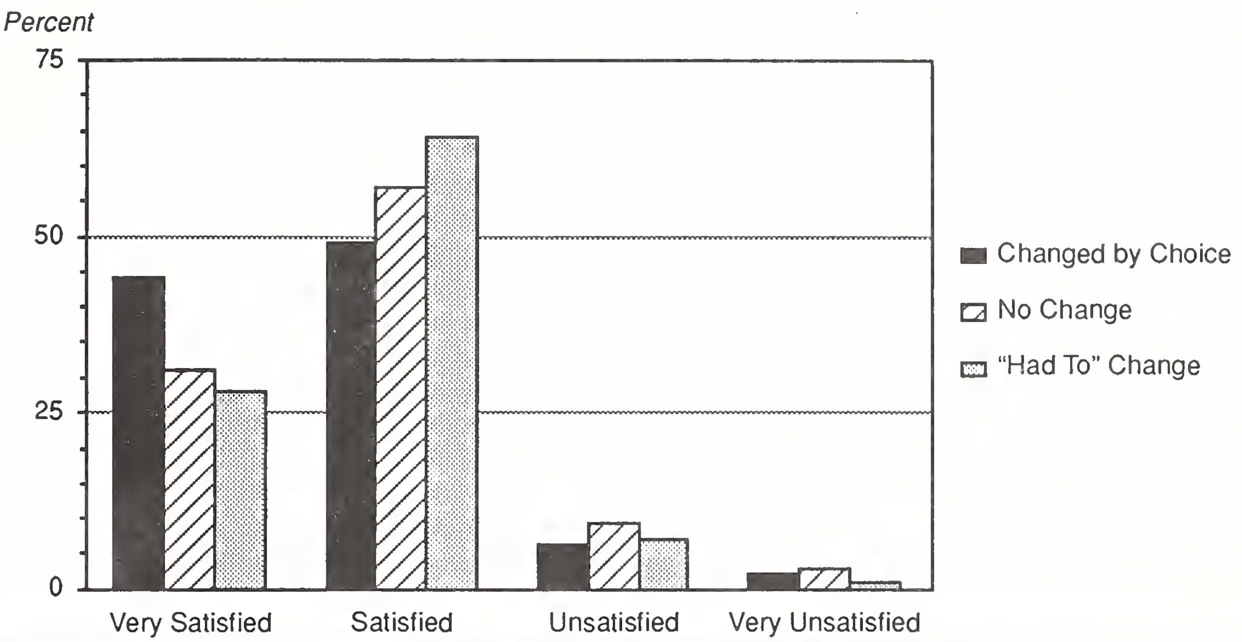


Table 2—Distribution of dairy farmers by price comparison with other dairy farmers in area

	My Prices Were...					
	Higher	The Same	Lower	Both Higher and Lower	Don't Know	Total Farmers
	Percent					*(Number of Farmers)*
Type of handler:						
Bargaining-only	28	28	4	22	18	625
Bargaining/operating	6	30	19	13	31	1,316
Proprietary handler	33	27	3	16	20	402
Whether or not farmer changed handlers in past 5 years:						
Changed voluntarily	34	25	6	20	16	325
Did not change	14	29	14	15	28	1,876
Had to change	17	32	9	19	23	94
Bargaining-only members' prices compared to:						
–other cooperatives	36	26	4	21	14	317
Bargaining-operating members' prices compared to:						
–other cooperatives	8	28	18	13	34	377
–proprietary handlers	4	27	37	11	20	182
Proprietary handlers' prices compared to:						
–cooperatives	33	29	3	14	21	145

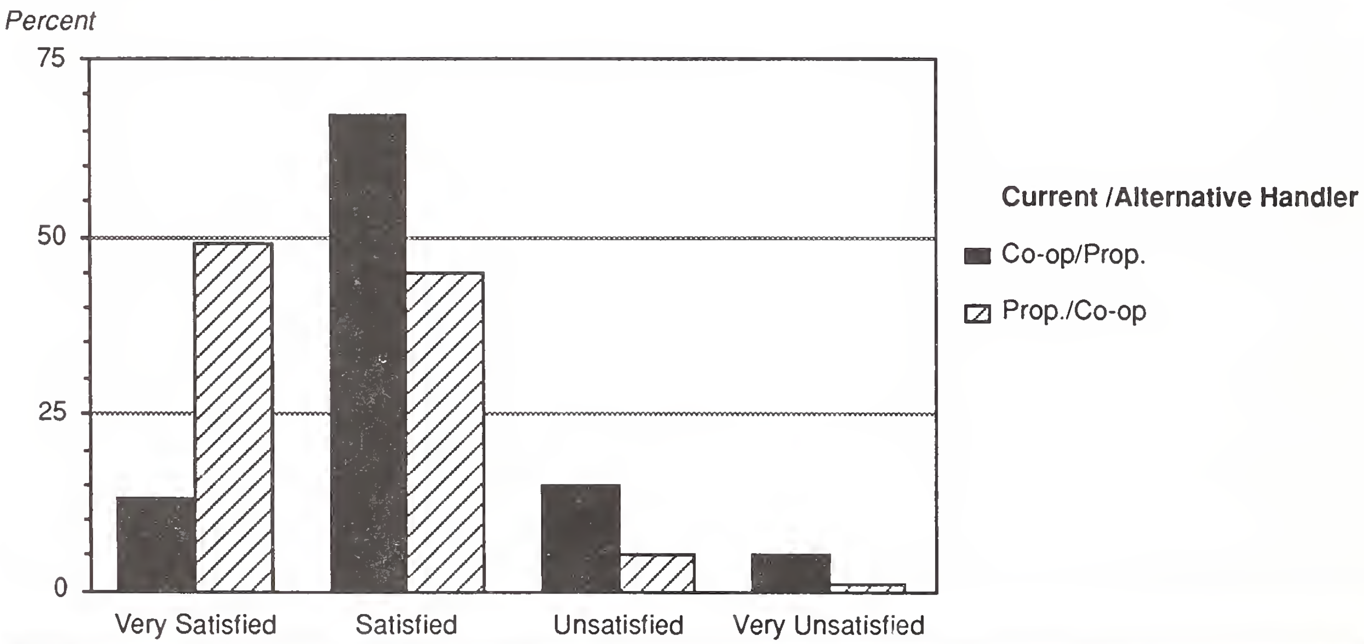
handlers in the past 5 years. Thus, a higher percentage of farmers that were willing to change handlers were very satisfied. Farmers currently selling to bargaining/operating cooperatives that had to change handlers due to a plant or business closing had the lowest percentage of very satisfied farmers. However, for those who had to sell to the other two types of handlers, the percentage of farmers that were very satisfied did not decline as much as might be expected.

In comparing their milk prices with the prices received by other farmers in the area, more of those who felt their prices were higher expressed being very satisfied than those who didn't, regardless of the type of handler. Likewise, the lowest percentage of farmers reporting being very satisfied were those who felt their prices were lower than others.

Over one-third of those that changed handlers indicated that their prices were higher than others, more than twice the proportion of those that did not change handlers, and twice the proportion of those who changed handlers involuntarily (table 2). One-third of those selling to proprietary handlers reported that the prices they received were higher than others. This contrasts dramatically to the members of bargaining/operating cooperatives where just 6 percent felt they received higher prices. These two groups of farmers with the largest proportion that felt they received higher prices were also the ones with the highest proportion of very satisfied farmers. The price that farmers receive appears to have been one of the most significant factors affecting farmers' satisfaction level.

Members of the bargaining-only cooperatives more frequently felt that their prices were higher than other farmers in the area than did members of bargaining/operating cooperatives, when there were other cooperatives (and no proprietary handlers) operating in the area. Thirty-seven percent of the bargaining/operating members felt their prices were lower than other farmers in the area when proprietary handlers (only) were also buying milk in the area. Thus, bargaining/operating members most frequently felt that the milk prices they received were lower than what other farmers received.

Figure 10— Distribution of Dairy Farmers by Satisfaction Level and Type of Alternative(s) to Current Handler



The higher prices generally paid by proprietary handlers may be one factor in the differences between the percentages of farmers that were very satisfied with their current handlers when grouping farmers by the type of alternative milk handler(s) available to them. Only 13 percent of the farmers that currently sold their milk through a cooperative were very satisfied when their only alternative handler(s) was a proprietary milk plant(s) (fig. 10). On the other hand, close to one-half of the farmers that sold to proprietary handlers said that they were very satisfied when the only alternative handler(s) was a cooperative(s).

Reasons for Choosing Current Milk Handler

The reasons dairy farmers gave for choosing to sell their milk to their current handlers revealed some noticeable differences (table 3). More than 60 percent of the bargaining/operating members said that having an assured market and payment was the reason for choosing their cooperative. This reason dropped to 45 percent of the bargaining-only members, and down to only 29 percent of those farmers selling to proprietary handlers. Sixty-four percent of those selling to proprietary handlers indicated that they chose their current handler because the handler paid the highest price, and over one-half of the bargaining-only cooperative members indicated this reason. However, only 15 percent of the bargaining/operating cooperative members said they chose their current handler because the handler paid the highest price. Having the lowest deductions and/or assessments was not an overall important reason, but it was a more important reason for both bargaining-only cooperative members and those selling to proprietary handlers than for members of bargaining/operating cooperatives.

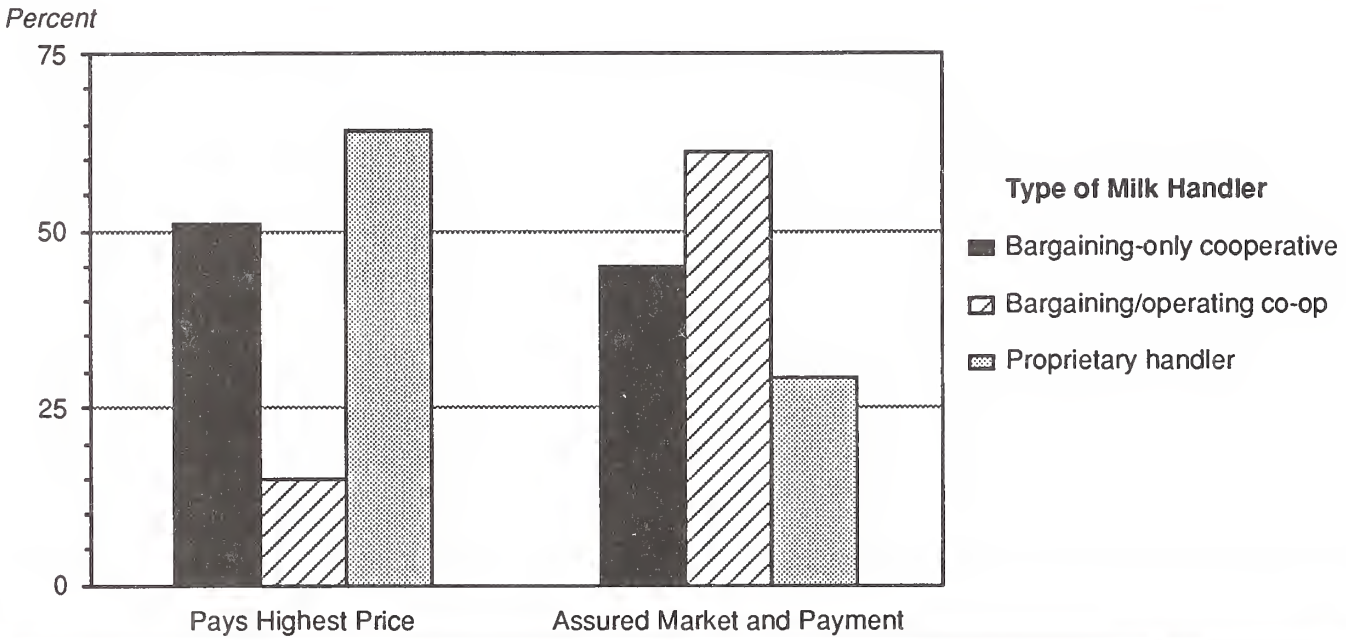
Thirty-five percent of the bargaining/operating cooperative members indicated that receiving better services was a reason for selling milk to their cooperatives, but only 25 percent of the farmers selling to proprietary handlers indicated service as a reason. Interestingly, friendly personnel was the second most frequently indicated reason for farmers selling to proprietary handlers (34 percent), while just one-quarter of the cooperative members chose their current handler because of friendly personnel.

In summary, there appear to be some tradeoffs between price and deductions versus services, secure market, and payment assurance. Comparing farmers selling through bargaining/operating cooperatives and proprietary handlers in figure 11 illustrates this point. None of the three groups had the same top two reasons most frequently identified for choosing their current handler. Farmers who chose to market through bargaining/operating cooperatives listed assured market and payment and better services, in contrast to those choosing to sell to proprietary handlers who indicated highest price and friendly personnel. Members of bargaining-only cooperatives indicated higher

Table 3—Distribution of dairy farmers by reason for choosing to sell their milk through the handler

	Type of Current Milk Handler			
Reason for choosing	Bargaining-Only Co-op	Bargaining/Operating Co-op	Proprietary Handler	All Types
	Percent			
Assured market and payment	45	61	29	51
Pays highest price	51	15	64	33
Better services	28	35	25	32
Only choice	12	20	5	16
Friendly personnel	24	25	34	26
Recommended	24	17	21	19
Lowest deductions	18	4	20	10
Other	14	12	16	13
	Number			
Total Farmers	657	1,423	427	2,538

Figure 11— Reasons for Choosing Current Milk Handler



price and assured market and payment. The most infrequent reasons indicated were "only choice" for farmers selling through bargaining-only cooperatives and to proprietary handlers, and "lowest deductions" for members of bargaining/operating cooperatives.

Reasons for Choosing Current Handler and Level of Satisfaction With Milk Handler

The farmers were grouped according to the number of reasons they indicated for choosing their current milk handler (table 4). Those that just indicated one reason appeared to be less satisfied than those who used more than one criteria in picking their current handler. Forty-two percent of those farmers who identified two or more reasons indicated they were very satisfied, while just 22 percent of those choosing to sell their milk through their current milk handler based on one reason were very satisfied.

Additionally, the dairy farmers were classified by the reason that they chose their current milk handler. Thus, farmers would be included in more than one group if they identified more than one reason for choosing their current handler. The highest percentage of very satisfied farmers were the ones who said that they picked their current milk handler because of lowest deductions (55 percent), friendly personnel (53 percent), and/or because the handler paid the highest price (51 percent). The group with the highest percentage of dissatisfied dairy farmers were those indicating that their current milk handler was their only choice (25 percent unsatisfied or very unsatisfied). Farmers may have accepted a less-than-ideal situation when there was only one handler to sell milk to. Farmers were also less satisfied if price was not among the reasons for choosing the handler. These results simply reflect human nature—people are happier when paid more for their labor, and when they have a choice.

Table 4—Distribution of dairy farmers according to satisfaction level and reason for choosing current milk handler

Reason	Very Satis-fied	Satis-fied	Unsatis-fied	Very Unsatis-fied	
	Percent				*(Number of Farmers)*
Number of reasons identified:					
One reason only	22	63	12	3	1,182
Two reasons or more	42	50	5	2	1,300
Reason indicated:					
Pays the highest price	51	46	3	1	834
Better services offered	47	48	4	1	803
Only choice	16	59	20	5	389
Friendly personnel	53	44	2	1	663
Farmers recommended	38	54	5	3	489
Lowest deductions	55	40	4	1	255
Assured market/payment	35	56	8	2	1,292
Other	39	49	9	4	331
Reason NOT indicated:					
Pays the highest price	23	62	11	3	1,675
Better services offered	26	60	11	3	1,706
Assured market/payment	30	57	10	3	1,217

Reasons for Changing Milk Handlers

Only 18 percent of the Southern dairy farmers responding to the survey said they had changed handlers in the last 5 years (table 5). Ninety-two percent of the bargaining/operating cooperative members indicated that they had not changed handlers in the last 5 years, while 3 percent had changed handlers to sell to the cooperative due to a plant closing or the previous handler going out of business. Farmers currently selling to proprietary handlers showed the highest percentage that had changed handlers in the last 5 years (44 percent), while current members of bargaining-only cooperatives indicated that only 26 percent had changed handlers.

Of the 444 farmers that changed handlers, the most frequent type of change was from one cooperative to another (39 percent, table 6). A total of 57 percent of the farmers that changed handlers in the past 5 years changed from a proprietary handler to a cooperative, or from one cooperative to another, and 29 percent changed from a cooperative to a proprietary handler.

The reasons Southern dairy farmers changed milk handlers were examined for the 347 dairy farmers that changed milk handlers in the past 5 years by choice (i.e., their milk handler didn't go out of business or close a plant). Nonresponse was interpreted as indicating that the specified reason did not have a strong or a moderate influence on the decision to voluntarily change milk handlers. Common reasons given were low milk prices, high assessments and deductions, excessive hauling charges, and poor on-farm services. The first three directly affect farmers' "take home pay," and thus understandably influenced farmers to switch milk handlers.

The two most frequently cited reasons that strongly or moderately influenced the change to bargaining-only cooperatives or to proprietary handlers were low milk prices and high special assessments and deductions (table 7). For those who became members of bargaining/operating cooperatives in the past 5 years, the top two reasons were low milk prices and poor on-farm services.

Not surprisingly, low milk price was the dominant reason for changing handlers. This was more important (strong or moderate influence to switch handlers) for farmers changing from a cooperative than for farmers shifting from a proprietary handler

Table 5—Distribution of dairy farmers changing milk handlers in last 5 years

Type of Current Handler	Changed by choice	No change	Plant closed/ out of business	
	Percent			(Number of Farmers)
Bargaining-only	19	74	7	624
Bargaining/operating	5	92	3	1,387
Proprietary handler	39	56	5	412
All	14	82	4	2,450[1]

1/ Column may not sum to total because some farmers did not supply adequate information to be categorized.

Table 6—Distribution of dairy farmers by most recent type of change in milk handler

Type of current handler	Type of Change: Co-op to Co-op	Co-op to Proprietary	Proprietary to Co-opto	Proprietary Proprietary	
	Percent				(Number of Farmers)
Bargaining-only	73	-	27	-	134
Bargaining/operating	62	-	38	-	108
Proprietary handler	-	68	-	32	165
All	39	29	18	14	444[1]

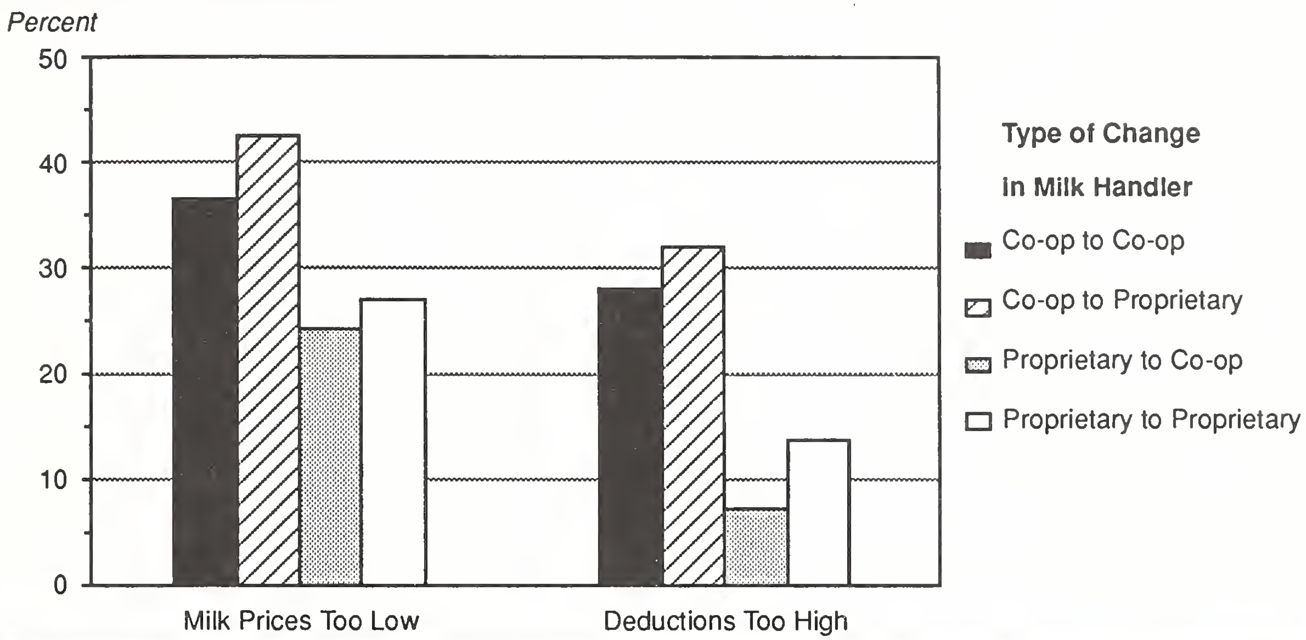
1/ Column may not sum to total because some farmers did not supply adequate information to be categorized.

Table 7—Percentage of dairy farmers indicating reason was a strong or moderate influence to voluntarily change handlers in past 5 years

Reason for Changing	Type of Current Milk Handler: Bargaining-Only Cooperatives	Bargaining/ Operating Cooperatives	Proprietary Handlers
		Percent	
Prices too low	70	52	76
Deductions too high	47	29	55
Excessive hauling charges	38	32	26
Personal reasons	20	30	28
Poor on-farm services	20	33	18
Incorrect fat testing	16	16	21
Actively recruited	13	15	25
Other	8	12	4
		Number	
Total Farmers	119	69	159

Reason for Changing	Type of Change: Cooperative to cooperative	Cooperative to proprietary	Proprietary to cooperative	Proprietary to proprietary
			Percent	
Prices too low	73	85	48	54
Deductions too high	56	64	14	27
Excessive hauling charges	45	27	24	22
Personal reasons	26	28	22	29
Poor on-farm services	26	16	28	22
Incorrect fat testing	17	20	20	22
Actively recruited	17	25	10	22
Other	8	3	20	5
			Number	
Total Farmers	120	119	50	41

Figure 12— The Two Most Important Factors That Influenced Dairy Farmers to Change Milk Handlers



(fig. 12). Of the farmers that voluntarily changed handlers in the past 5 years, 76 percent of those currently selling to proprietary handlers, and 70 percent of those selling to bargaining-only cooperatives, changed due to low milk prices offered by the previous handler. Low milk prices were a strong or moderate influence to change handlers for 52 percent of those selling to bargaining/operating cooperatives.

High assessments and deductions were a stronger influence in the decision to change handlers for those changing to proprietary handlers (55 percent) and for those changing to bargaining-only cooperatives (47 percent) than for those changing to bargaining/operating cooperatives (29 percent). High assessments and deductions were a much more important reason for the shift from a cooperative to a proprietary handler or from one cooperative to another (64 and 56 percent) than for shifts from a proprietary handler to a cooperative or from one proprietary handler to another (14 and 27 percent). Forty-five percent of the farmers shifting from one cooperative to another said excessive hauling charges were the reason. Only 22 to 27 percent of the farmers making other types of changes reported excessive hauling charges as a reason.

The second most important reason for switching to a bargaining/operating cooperative (33 percent) was poor on-farm services. This was a strong or moderate influence for only 20 percent of those switching to a bargaining-only cooperative and 18 percent of those changing to a proprietary handler. Thus, Southern dairy farmers that prefer bargaining/operating cooperatives were apparently looking for services from their milk handler, as well as a market for their milk.

One-fourth of the farmers who had switched to a proprietary handler indicated that active recruitment by a fieldman was a strong or moderate reason for changing handlers. Recruitment was a relatively minor reason given by those who changed to a cooperative (13 to 15 percent for the two types of cooperatives). Unspecified personal reasons were the second most important reason for switching from one proprietary handler to another (but only 29 percent indicated they were strong or moderate influence).

Reasons for Staying with the Same Milk Handler

Just as important as the reasons for changing milk handlers are the reasons for continuing to sell milk to the same handler. Of the Southern dairy farmers responding to the survey, 82 percent had marketed their milk to the same handler for the past 5 years. However, only 56 percent of the farmers currently selling to proprietary handlers had done so for the past 5 years, while 92 percent of those selling to bargaining/operating cooperatives had not changed handlers.

The factors that dairy farmers consider when they remain with the same milk handler were indicated by the percentage of farmers that said a particular reason was a strong or moderate influence not to change milk handlers (table 8). Those that did not respond were interpreted as indicating that the specified reason was not a strong or moderate influence in their decision. Most of the reasons identified in the questionnaire were reported by 50 percent or more of the farmers as having strongly or moderately influenced their decision not to change handlers. This indicates that dairy farmers consider quite a few factors in determining to whom they sell their milk.

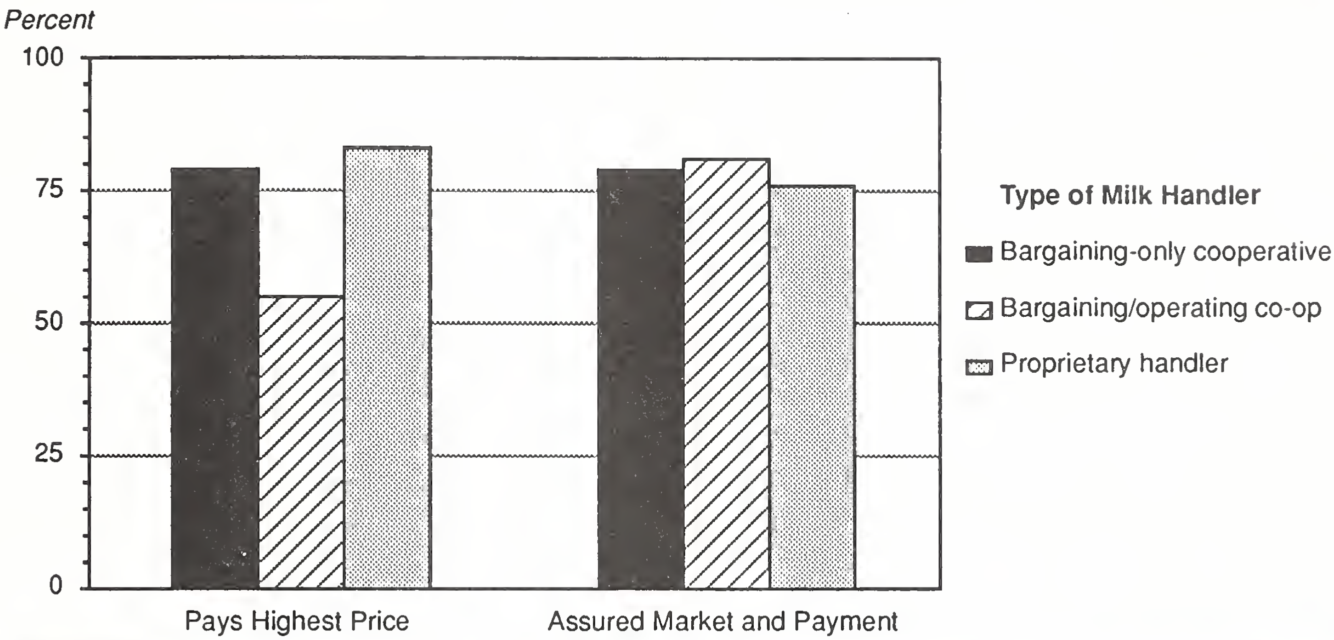
The most important reason with a strong or moderate influence to stay with the same milk handler differed among the types of handlers. A stable and secure operation leads the reasons for those farmers staying with bargaining-only cooperatives; an assured market influenced the highest percentage of farmers that continued to sell through their bargaining/operating cooperatives; and better price was the most frequently indicated reason for those continuing to sell to proprietary handlers. From 80 percent (bargaining/operating cooperative members, proprietary handlers) to 83 percent (bargaining-only cooperatives) of the farmers kept marketing milk through the same organization because they felt it was a stable and secure operation.

Receiving a better price had strongly or moderately influenced 79 percent of the bargaining-only cooperative members, 83 percent of those selling to proprietary handlers, and only 55 percent of the bargaining/operating members not to change handlers (fig. 13). An assured market was identified by 81 percent of the bargaining/operating members as a strong or moderate influence not to change handlers, while 79 and 76 percent of the farmers selling through bargaining-only cooperatives and proprietary handlers, respectively, indicated this reason.

Table 8—Percentage of dairy farmers where the specified reason was a strong or moderate influence for staying with the same milk handler over the last 5 years

Reason for Staying	Type of Current Handler: Bargaining-Only Cooperatives	Bargaining/Operating Cooperatives	Proprietary Handlers
		Percent	
Better price	79	55	83
Stable/secure operation	83	80	80
Assured market	79	81	76
Capable/friendly personnel	72	69	76
Favorable hauling charges	65	64	62
Tradition	61	66	56
No or low deductions	60	42	59
My loyalty to this handler	56	58	55
Field services offered	48	66	52
Selling breed milk	17	17	27
Other	2	5	2
		Number	
Total Farmers	462	1,281	233

Figure 13— The Two Most Important Factors That Influenced Dairy Farmers Not to Change Milk Handlers



Tradition, or staying with the same handler because they had "always sold to this handler," was more frequently indicated by the cooperative members (66 and 61 percent for bargaining/operating cooperatives and bargaining-only cooperatives, respectively) than for farmers selling to proprietary handlers (56 percent). Loyalty was a strong or moderate reason not to change handlers in the last 5 years for a majority of farmers selling through both bargaining/operating cooperatives (58 percent) and proprietary handlers (55 percent). Selling breed milk and other unspecified reasons were the least indicated reasons.

In comparing the percentage of farmers identifying the various reasons that strongly or moderately influenced them to change or not to change handlers, the decision to change was based on a smaller number of reasons than the decision to stay with the current handler. Low milk prices seemed to be the largest single factor in influencing dairy farmers to change handlers. However, factors identified as reasons to stay with the same handler by two-thirds or more farmers included stable and secure operation, assured market, and capable and friendly personnel. In addition, better price was indicated by well over two-thirds of the farmers staying with bargaining-only cooperatives and proprietary handlers, while two thirds of those staying with bargaining/operating cooperatives indicated field services (e.g., assisting in production and quality problems) and tradition.

Opinions of Cooperative's Performance

Members of milk marketing cooperatives were asked to indicate to what extent they agreed with positive statements concerning various performance attributes of their cooperatives. The distribution of farmers' responses are found in appendix table 3. Overall, proportionately more of the members of bargaining-only cooperatives had no opinion or did not respond. Thus, their percentages of agreement and disagreement were lower than for the bargaining/operating members. The statement about cooperative performance most agreed with differed for the two types of cooperatives. Forty-

two percent of the farmers belonging to bargaining-only cooperatives agreed that their cooperative treats all members equitably, while 52 percent of the members of bargaining/operating cooperatives agreed with the statement that their cooperative keeps them well informed on changes in the cooperative's operations, financial conditions, and marketing problems.

Table 9 shows from highest to lowest the percentages of farmers agreeing or tending to agree, and disagreeing or tending to disagree, with the statements for each type of cooperative. Sixty-five percent of the members of bargaining-only cooperatives agreed or tended to agree that their cooperative provides a better milk price than they could get from other handlers. In contrast, only 52 percent of the members of bargaining/operating cooperatives felt that way, and 29 percent were in disagreement. On the other hand, 71 percent of the members of bargaining/operating cooperatives indicated agreement that their cooperative provides better services than they could get from other handlers, while only 58 percent of those farmers belonging to bargaining-only cooperatives were in agreement with that statement.

The statement that the cooperative's management is doing a good job had the highest percentage of agreement among members of bargaining-only cooperatives (66 percent, with 9 percent disagreeing). A higher percentage of the bargaining/operating members were in agreement with this statement, but 17 percent disagreed or tended to disagree. The highest percentage (79 percent) of bargaining/operating cooperative members were in agreement that their cooperative kept members well informed on changes in the cooperative's operations, financial conditions, and marketing problems, with only 11 percent disagreeing.

About the same percentage of both groups agreed, or tended to agree, that the cooperative treats all members fairly and that their cooperative does a good job holding down operating and marketing costs. However, 22 percent of the farmers belonging to bargaining/operating cooperatives were in disagreement that their cooperative does a good job holding down costs, compared to 9 per-

Table 9—Percentage of dairy farmers, by type of current cooperative, agreeing/disagreeing with statement about their cooperative's performance

Type of Cooperative	Opinion: Agree or tend to agree	Opinion: Disagree or tend to disagree	
	Percent	*Percent*	*(Number of farmers)*
Bargaining-only			657
My co-op provides			
– good co-op management	66	9	
– me a better price	65	10	
– equitable member treatment	65	8	
– good control of its costs	63	9	
– me with information about it	62	14	
– me with better services	58	12	
– benefits to non-members	22	16	
Bargaining/operating			1,423
My co-op provides			
– me with information about it	79	11	
– me with better services	71	10	
– good co-op management	70	17	
– equitable member treatment	69	17	
– good control of its costs	62	22	
– me a better price	52	29	
– benefits to nonmembers	41	16	

cent for bargaining-only members. Members of bargaining/operating cooperatives felt that their cooperative provided significant benefits to nonmembers almost twice as frequently as members of bargaining-only cooperatives.

The higher levels of disagreement among bargaining/operating cooperative members concerning their cooperative's ability to provide a better price than they could get from other handlers could be an area of special concern—that some farmers are willing to sacrifice price for other functions and services provided by bargaining/operating cooperatives—or perhaps just the opposite. Furthermore, a much lower percentage of bargaining-only cooperative members indicated agreement that their cooperative provides better services than did members of bargaining/operating cooperatives. Bargaining-only cooperatives generally do not provide services other than finding a market for milk and bargaining for price. Thus the lower level of agreement with the statement may be expected. The relatively low percentage of farmers belonging to both types of cooperatives in agreement that their cooperative provides significant benefits to nonmembers may indicate that cooperative members are not aware of "free rider" problems and the need for cooperatives to educate members on the benefits cooperatives provide in the overall marketplace.

Evaluation of Services Offered by Cooperative

Members of cooperatives were asked to rate the quality of the major services offered by their cooperative. Table 10 shows the percentage of farmers ranking each service as excellent, average, poor, or

Table 10—Distribution of dairy farmers, by type of current cooperative, in rating of services provided

Service	Rating				
	Excellent	Average	Poor	Not Offered	Non-Response
			Percent		
Milk hauling:					
Bargaining-only	48	26	4	3	19
Bargaining/operating	52	37	3	1	8
Performing field services:					
Bargaining-only	27	36	11	7	20
Bargaining/operating	43	39	8	2	8
Checking milk weights and tests:					
Bargaining-only	34	31	7	7	21
Bargaining/operating	39	41	5	6	8
Providing an assured market:					
Bargaining-only	52	25	2	1	21
Bargaining/operating	65	25	1	0	8
Providing market information:					
Bargaining-only	35	33	8	2	22
Bargaining/operating	44	40	6	1	8
Selling milk supplies and equipment:					
Bargaining-only	8	8	4	56	24
Bargaining/operating	41	38	8	4	9
Providing leadership in policymaking matters:					
Bargaining-only	28	33	7	7	25
Bargaining/operating	46	37	7	1	9
			Number of farmers		
Bargaining only cooperative			657		
Bargaining/operating cooperative			1,423		

not offered. Proportionately more of the bargaining-only members did not respond, or the service was not offered. Thus, the percentages of each ranking for these members were lower than for the bargaining/operating members.

One of the primary benefits claimed by milk marketing cooperatives is that they provide an assured market for members' milk. Providing an assured market was rated excellent by the highest percentage of members of each type of cooperative (52 and 65 percent for bargaining-only and bargaining/operating cooperatives, respectively). The lowest percentage of farmers ranking a service poor was 1 percent for bargaining/operating cooperatives providing an assured market (only 2 percent of bargaining-only cooperative members rated this poor). Evidently, cooperative members believe their cooperatives are in fact providing this basic function of dairy cooperatives.

Close to one-half of both types of cooperative members rated milk hauling services arranged by the cooperative as excellent. Over one-third of both types of cooperative members rated checking milk weights and tests as excellent. Forty-six percent of the bargaining/operating cooperative members indicated that their cooperative was excellent in providing leadership on policymaking matters, while only 28 percent of the members of bargaining-only cooperatives rated their cooperative excellent in this area.

The highest percentage of farmers ranking a service poor was 11 percent for bargaining-only cooperatives' performance of field services. On the other hand, performance of field services was rated excellent by 43 percent of the bargaining/operating cooperative members.

Changes Needed to Keep Cooperative Competitive

Milk marketing cooperatives continually face the challenge of remaining competitive in handling their members' milk. Dairy farmers indicated whether or not they agreed with seven proposed changes (appendix table 4). Again, the bargaining-only cooperative members had a higher nonresponse rate than did bargaining/operating cooperative members. However, bargaining/operating members were more often undecided.

Table 11 shows the percentage of dairy farmers agreeing/disagreeing with the specified changes. The highest level of agreement (56 percent) that their cooperative should process more member milk was found among members of bargaining/operating cooperatives. An even higher percentage (57 percent) of these farmers were in

Table 11—Percentage of dairy farmers, by type of current cooperative, agreeing/disagreeing with proposed changes needed to keep their cooperative competitive

Proposed Change	Agree	Disagree	
	Percent		*(Number of Farmers)*
Bargaining-only cooperatives			657
Process more member milk	34	18	
Just market milk	24	32	
Merge hauling w/co-ops	18	39	
Increase member investment	14	32	
Merge all operations w/co-ops	10	48	
Joint plant ownership w/co-ops	9	44	
Joint plant ownshp w/non co-op	5	46	
Bargaining-operating coperatives			1,423
Process more member milk	56	7	
Joint plant ownership w/co-ops	20	31	
Merge hauling w/co-ops	19	34	
Increase member investment	18	30	
Joint plant ownership w/non co-op	11	43	
Merge all operations w/co-ops	10	49	
Just market milk	9	57	

disagreement with the statement that the cooperative should "just market milk," while only 9 percent agreed. This indicates the desire of farmers belonging to bargaining/operating cooperatives that their cooperative do more than just market milk. In contrast, 24 percent of the members of bargaining-only cooperatives agreed that the cooperative should just market milk. However, 32 percent of the bargaining-only cooperative members disagreed, indicating a mixed opinion. In fact, for bargaining-only cooperative members, agreement with any of the proposed changes was never reached among a majority of farmers.

Bargaining-only cooperative members indicated a desire for their cooperatives to remain bargaining-only organizations as only 34 percent of the members agreed, and 18 percent disagreed, that the cooperative needed to process or manufacture more member milk to increase profits. Conversely, 56 percent of the bargaining/operating cooperative members agreed that more member milk should be processed, with only 7 percent disagreeing. However, only 18 percent of the bargaining/operating and 14 percent of the bargaining-only cooperative members agreed that member investment should be increased, while 30 and 32 percent, respectively, disagreed with increased member investment. This raises the question of how those farmers who agreed that more member milk should be processed plan to finance the ability to process or manufacture more milk. However, whether member investment was to come from cooperative earnings or from member contributions through capital retains may not have been clear in the survey, thus affecting how the members responded to this question.

Neither group of cooperative members were in favor of merging hauling operations with other cooperatives. Just under 20 percent agreed with merging, and 34 to 39 percent disagreed. Less than 20 percent of the farmers belonging to either type of cooperative agreed with merging all operations or engaging in joint ownership with other cooperatives and/or noncooperatives. Twenty percent of the bargaining/operating cooperative members thought the cooperative should engage in plant ownership with other cooperatives. Bargaining-only members showed the greatest disagreement with joint ownership of plants, again indicating that, for the most part, they wished to remain as bargaining-only cooperatives.

Member Participation in Their Cooperative

A major concern of any cooperative should be the degree of participation by members in functions of the organization. Participation indicates interest in the cooperative. In most of the activities listed, more members of the bargaining/operating cooperatives participated than did bargaining-only cooperative members (table 12). Sixty-three percent of the bargaining/operating cooperative members attended meetings, compared to 50 percent of the bargaining-only members. Similar percentages of dairy farmers voted in elections, although even fewer of the bargaining-only cooperative members voted (47 percent). Reading cooperative publications was the activity most participated in by both types (87 percent for bargaining/operating cooperative members and 65 percent for members of bargaining-only cooperatives). Fifty-nine percent of the members of bargaining/operating cooperatives and 46 percent of the members of bargaining-only cooperatives maintained close contact with their fieldmen and management. Forty-eight percent personally contacted cooperative management about problems and concerns for both types of cooperatives. Only a small percentage of both groups had the opportunity to serve on cooperative committees, as delegates, or as directors at some level.

Conclusions on the Evaluation by the Type of Milk Handler

Many of the characteristics of the farmers and their farms were similar, regardless of the type of handler to whom they marketed their milk. However, there were some distinctions. For example, members of bargaining-only cooperatives had the largest average herd size and farm acreage. On average, members of bargaining/operating cooperatives had the fewest alternatives to their cooperative and had sold through their current handler the longest. The opposite was true for farmers selling milk to proprietary handlers.

Table 12—Distribution of dairy farmers participating in various cooperative functions in last 12 months

Function	Bargaining-Only Cooperative	Bargaining/Operating Cooperative
	Percent	
Attended co-op meetings	50	63
Voted in election of co-op officers	47	63
Read co-op publications	65	87
Close contact with fieldmen and management	46	59
Contacted management about problems	48	48
Served on co-op committee	14	11
Served as a delegate	8	6
Served as a director	15	8
	Number	
Total Farmers	657	1,423

Differences were expressed by dairy farmers regarding their evaluation of the type of milk handler that purchased their milk. This may indicate to handlers, regardless of type, that farmers are knowledgeable about the differences in the operations of different types of handlers. The dominant reason given by farmers that chose to sell through bargaining-only cooperatives or through proprietary handlers was that the handler paid the highest price. The dominant reason given by those who chose to be members of bargaining/operating cooperatives was its assured market and payment.

While the dominant reason for changing handlers was that their previous handler's price was too low, a much larger proportion of farmers that changed to proprietary handlers and to bargaining-only cooperatives indicated this reason as compared to farmers who switched to bargaining/operating cooperatives. Likewise, a better price was a factor for a smaller percentage of members of bargaining/operating cooperatives in motivating farmers to stay with the same handler the past 5 years than for those selling through the other types of handlers.

The two kinds of cooperatives had different strong points: most members of bargaining-only cooperatives agreed that their cooperative's management was doing a good job, while most members of bargaining/operating cooperatives agreed that their cooperative kept them well informed on changes in the cooperative's operations, financial conditions, and marketing problems. Farmers' evaluations of their cooperative's performance also reflected the different roles of the two types of cooperatives. The second largest proportion of the members of bargaining-only cooperatives agreed that their cooperative provided them with a better price, while the second largest percentage of the members of bargaining/operating cooperatives agreed that their cooperative provided better services than they could get from another handler. In the same way, more farmers belonging to bargaining/operating cooperatives rated their cooperative's services excellent than did members of bargaining-only cooperatives. For the latter cooperatives, a higher proportion of farmers did not rate the various services at all (which could indicate they weren't offered). Finally, a much larger percentage of the members of bargaining/operating cooperatives wanted their cooperative to process more member milk than did members of bargaining-only cooperatives. Conversely, only a

very small percentage of the bargaining/operating cooperative members thought that their cooperative should just market milk, as compared to bargaining-only cooperative members.

EVALUATION OF MILK HANDLERS BY REGION

The dairy farmers in the 12 Southern States were grouped on a regional basis to determine if the farmers' levels of satisfaction, reasons for changing or not changing handlers, or opinions about their cooperative's performance were influenced by where their farms were located. The States were grouped into "regions," defined as the smallest possible areas where there were at least three cooperatives buying milk and there was no single cooperative having more than 50 percent of the market share. This was done in order to preserve the confidentiality of individual milk handlers. This restriction required some States to be lumped together where the milk handler situation and/or producer members' attitudes toward their cooperatives were quite different. Thus, conclusions concerning farmers in a given State within a region could be misleading. (For an analysis of individual State results, see the separate State publications.) There are five regions: the Carolinas, consisting of North and South Carolina; the East South Central, which includes Alabama, Arkansas, Mississippi, Kentucky, and Tennessee; the Southeast containing Georgia and Florida; Virginia, which makes up a single region; and the West South Central, consisting of Texas and Louisiana (see map, page viii).

Only the East South Central and the Carolinas regions had enough responses to allow comparisons between farmers selling through proprietary handlers and cooperatives within each region. Twenty-eight percent of those farmers responding to the survey in the East South Central region, and 18 percent in the Carolinas, sold through a proprietary handler. Only 4 to 7 percent of the responding farmers in the other regions sold through proprietary handlers. Neither were there enough responses to facilitate comparisons between bargaining-only and bargaining/operating cooperative members on a regional basis. Subsequently, there is no further analysis of the differences between handler types at the regional level. As shown in the preceding section, there were some significant differences between the various types of handlers. Examining them together for this regional analysis may mask these differences.

Farm and Farmer Characteristics

Contrasting climatic and geographic conditions, as well as other factors, lead to diverse production practices in the various regions of the South. This is evidenced by the differences in herd sizes and other farm characteristics. The Southeast had the largest average herd size (451 cows) and the highest percentage (37 percent) of farms with over 300 milking cows (table 13 and fig. 14). The East South Central region had the largest proportion of farms with small herds—over one-half of the milking herds consisted of fewer than 75 cows and averaged just 85 cows. Virginia had the next smallest herds, averaging 98 cows. Fifty-eight percent of Virginia farmers had herds that produced more than 16,000 pounds of milk per cow per year, followed by 48 percent for the Carolinas, (fig. 15). The East South Central averaged 13,917 pounds of milk per cow per year, considerably less than in the other regions. Twenty percent of the farmers in the East South Central and West South Central regions had average yearly milk production of less than 12,000 pounds per cow.

On average, the Southeast dairy farmers had the largest acreage, while the East South Central had the smallest. Dairy operations in the Carolinas had the largest average acreage cultivated for crops. The Southeast had the largest average forage (pasture and hay) acreage. For all regions, the majority of farmers had farms of 100 to 499 acres (fig. 16). The Carolinas and the Southeast had the largest proportion of farms with 500 acres or more (30 and 27 percent, respectively).

The Southeast had the highest proportion of respondents whose dairy operations were family-owned corporations (20 percent, fig. 17). The Carolinas was the only other region besides the Southeast where fewer than one-half of the dairy farmers were individual owners.

Table 13—Characteristics of Southern dairy farms and farmers in each region

Characteristic	Region 1/ Carolinas	East South Central	Southeast	Virginia	West South Central
Number of farmers	386	1,104	295	282	471
Herd size (hd)	124	85	451	98	176
Replacements (hd)	98	55	228	84	82
Annual milk per cow (lb)	15,527	13,917	14,986	16,230	14,025
Crop acres	243.5	102.5	177.0	161.1	142.8
Pasture acres	86.2	103.6	211.7	96.6	156.8
Hay acres	61.7	74.9	140.5	72.8	110.7
Total acres2/	434.7	307.6	562.4	395.9	365.0
Age of operator (yr)	51.0	46.8	46.6	47.5	46.0
Years in dairying	26.8	20.7	21.9	23.7	19.9
Years selling to handler	10.3	11.5	11.7	17.0	11.2
Number of alternatives	2.0	1.5	1.2	1.3	1.4
Proprietary representatives					
–number	2.4	1.4	1.4	1.7	1.5
–farmers contacted (%)	11	24	16	12	8
Co-op representatives					
–number	1.9	1.4	1.3	1.4	1.4
–farmers contacted (%)	15	18	19	13	15

1/ States included in each region are: Carolinas: NC, SC; East South Central: AL, AR, MS, KY, TN; Southeast: FL, GA; Virginia: VA; and West South Central: TX, LA
2/ Includes woodland and farmstead acreage, in addition to crop, pasture, and hay acreage

Figure 14— Distribution of Dairy Farmers in Each Region by Herd Size

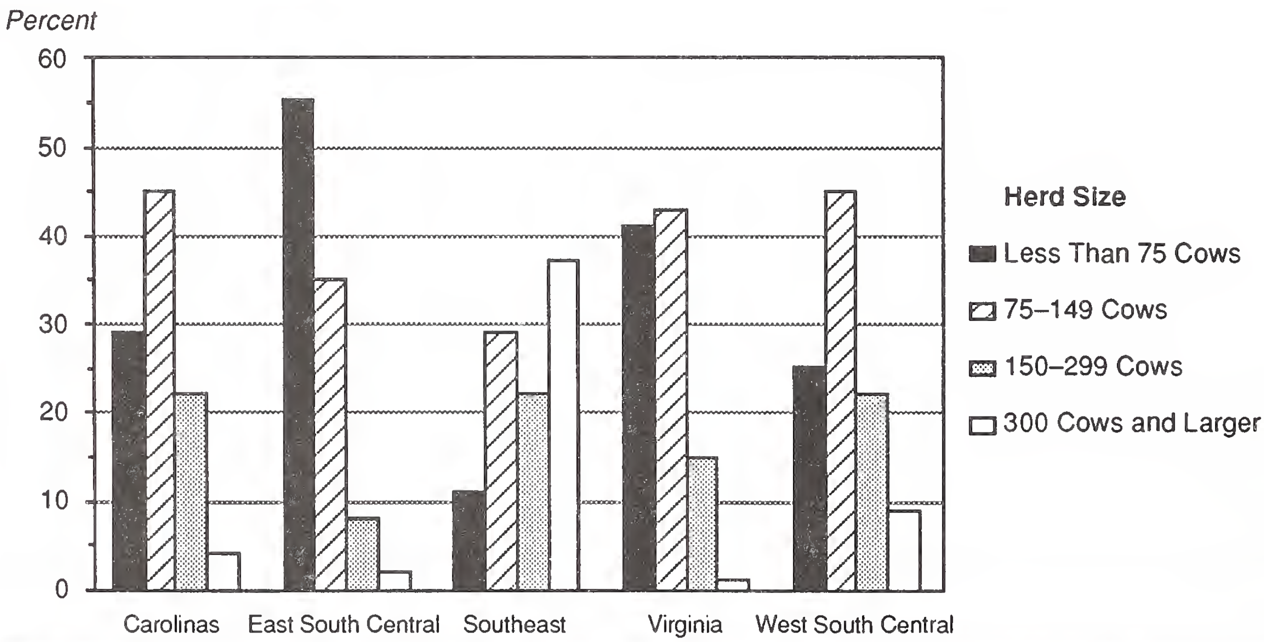


Figure 15— Distribution of Dairy Farmers in Each Region by Annual Milk Production Per Cow

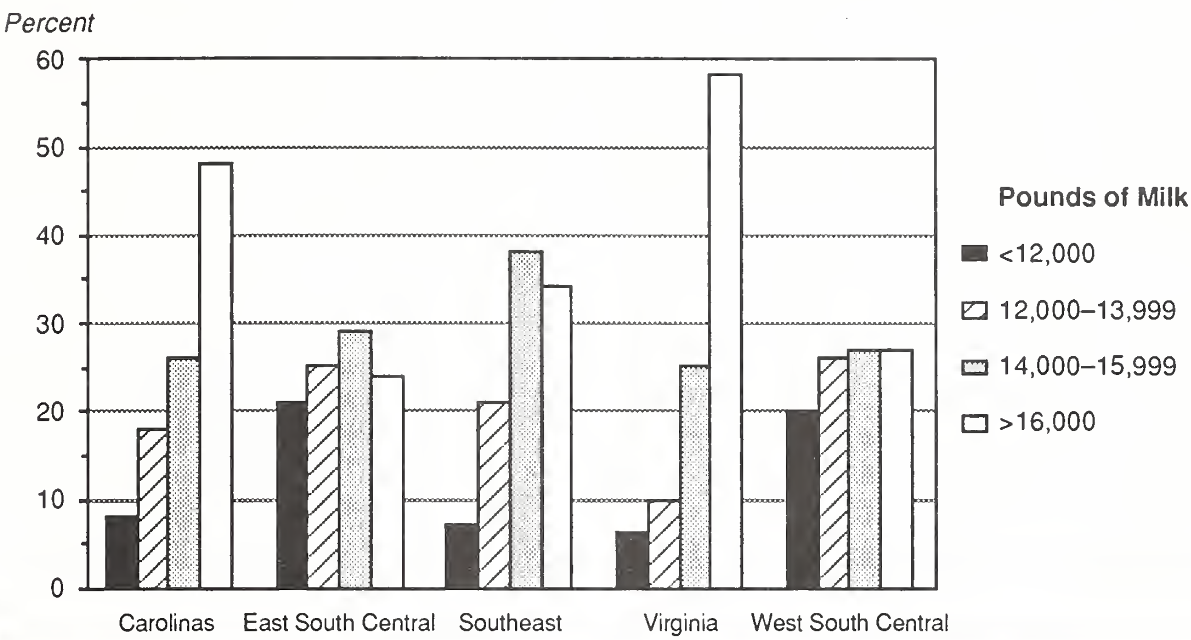


Figure 16— Distribution of Dairy Farmers in Each Region by Total Acreage in Dairy Operation

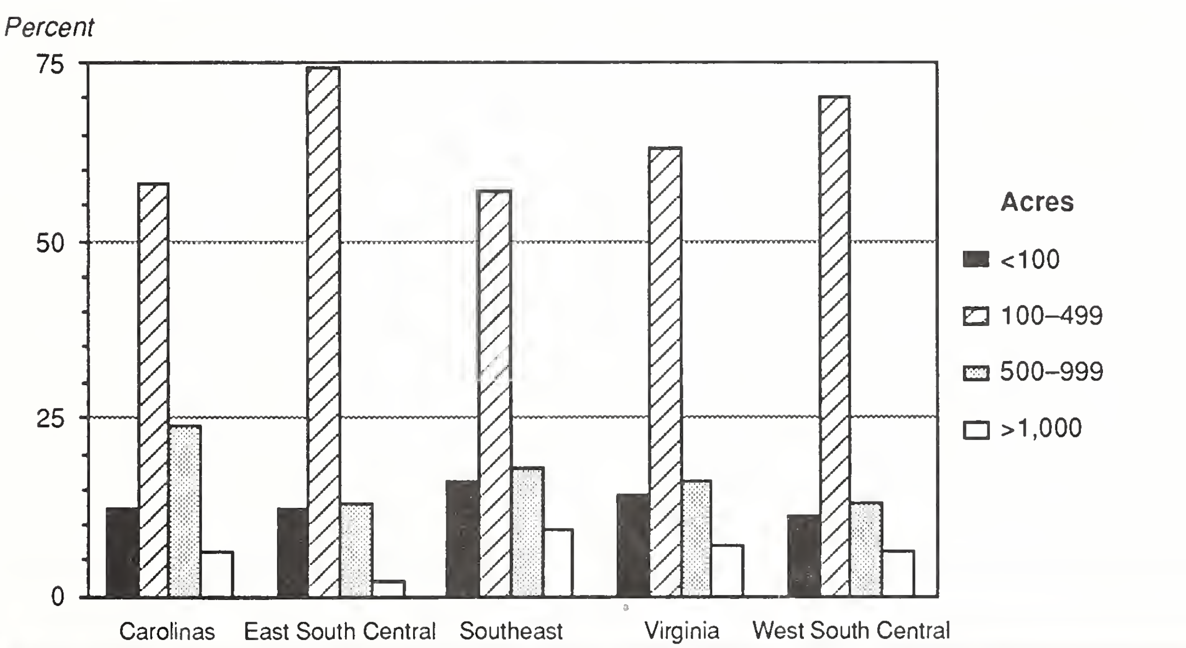


Figure 17— Distribution of Dairy Farmers in Each Region by Ownership Arrangement

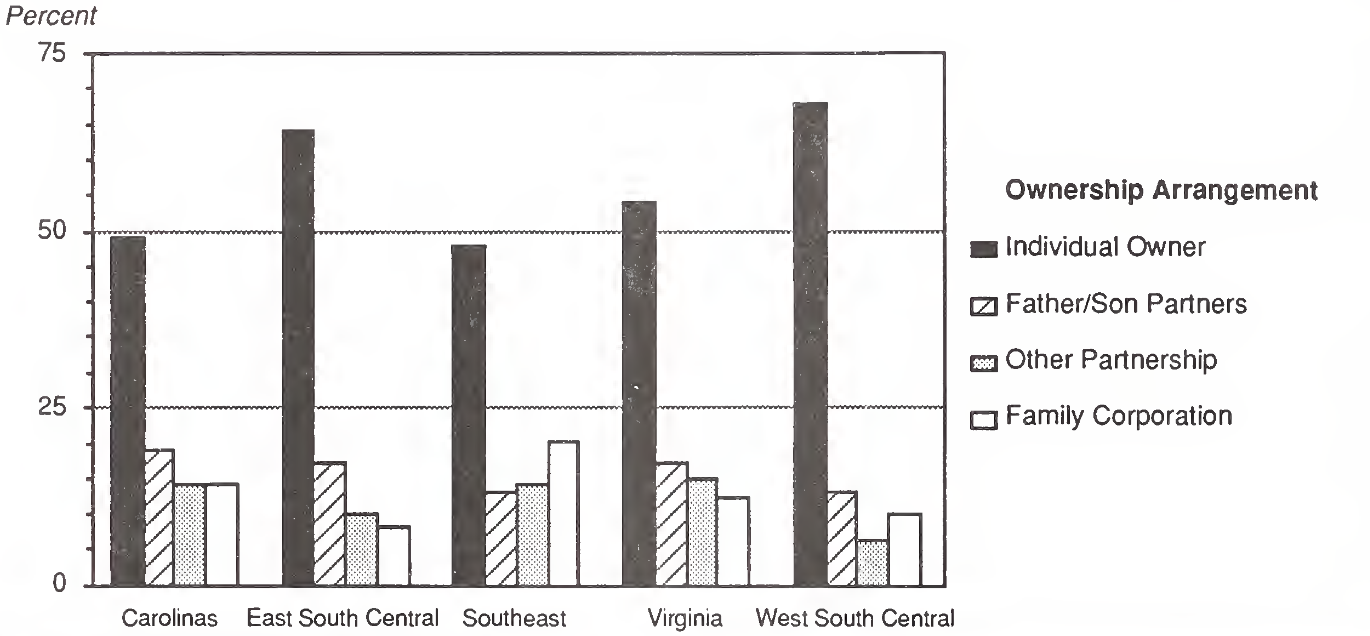
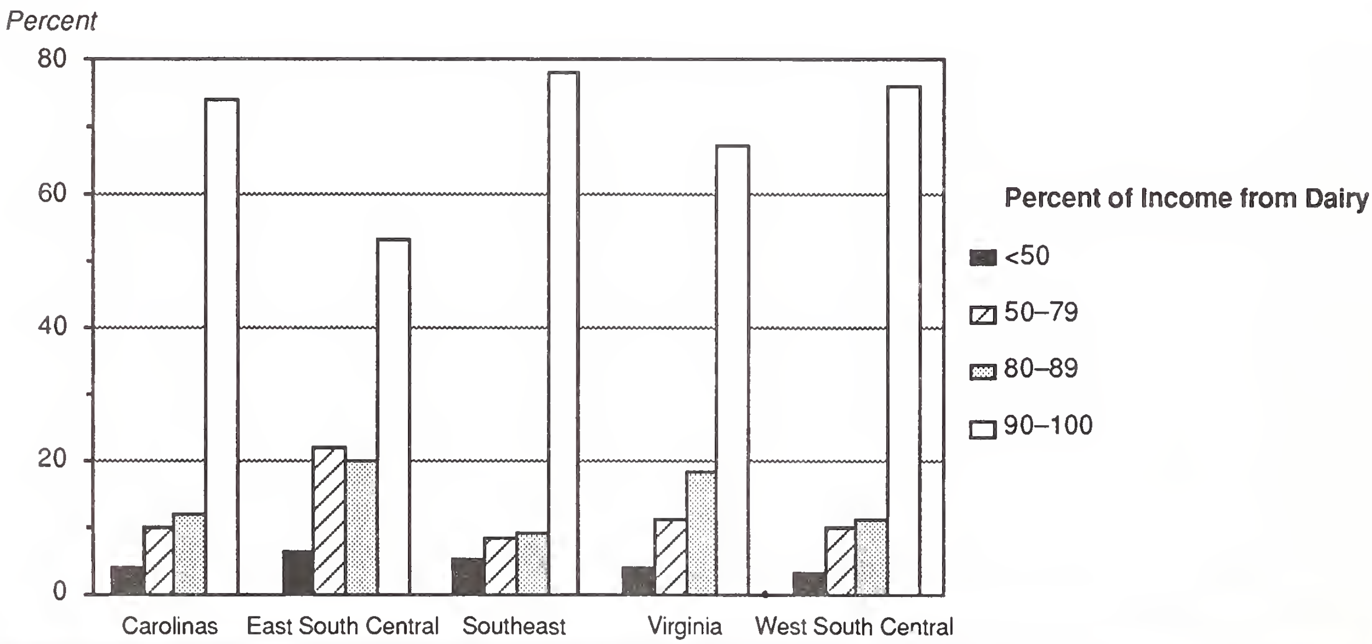


Figure 18— Distribution of Dairy Farmers in Each Region by Income from the Dairy Enterprise



Seventy-eight percent of the farmers in the Southeast received over 90 percent of their income from milk sales, while the East South Central had the highest proportion of farmers (28 percent) for which milk sales made up less than 79 percent of total farm income (fig. 18). This indicates that the dairy farms in the East South Central region were the least specialized among the five regions, gaining significant proportions of total farm income from farming enterprises other than dairying. (Information on income from nonfarm sources was not collected). The Carolinas had the highest proportion of farmers who were debt free, compared to the other regions (fig. 19).

There did not seem to be much variability in the age of operators among the various regions. The Carolinas had the highest percentage of farmers that had been in business 15 years or longer (79 percent), while the West South Central had the largest proportion of farmers that had been in the dairy business less than 5 years (9 percent, fig. 20).

The length of time selling milk to their current handler varied among dairy farmers in the different regions (fig. 21). Over two-thirds of the respondents in Virginia had been with the same handler 10 years or longer, which contrasts with the Carolinas and the Southeast where over one-third had marketed milk with their current handler for less than 5 years. For all regions, the lowest percentage of farmers had shipped milk to the same handler for the last 5 to 9 years and the highest percentage of farmers had shipped milk to the same handler for more than 10 years.

The highest percentage of farmers expecting to remain in the dairy business less than 5 years was in the Carolinas region (15 percent, fig. 22). Forty-six percent of the farmers in the Southeast region planned to remain in the dairy business more than 10 years. However, between 34 and 41 percent of the respondents in all regions were not sure how long they expected to be dairying.

The Carolinas and East South Central regions had the highest proportion of farmers among all the regions who voluntarily changed handlers in the last 5 years (18 and 16 percent, respectively, table 14). Very low proportions of the farmers

Figure 19— Distribution of Dairy Farmers in Each Region by Asset Value Left after All Debts Repaid

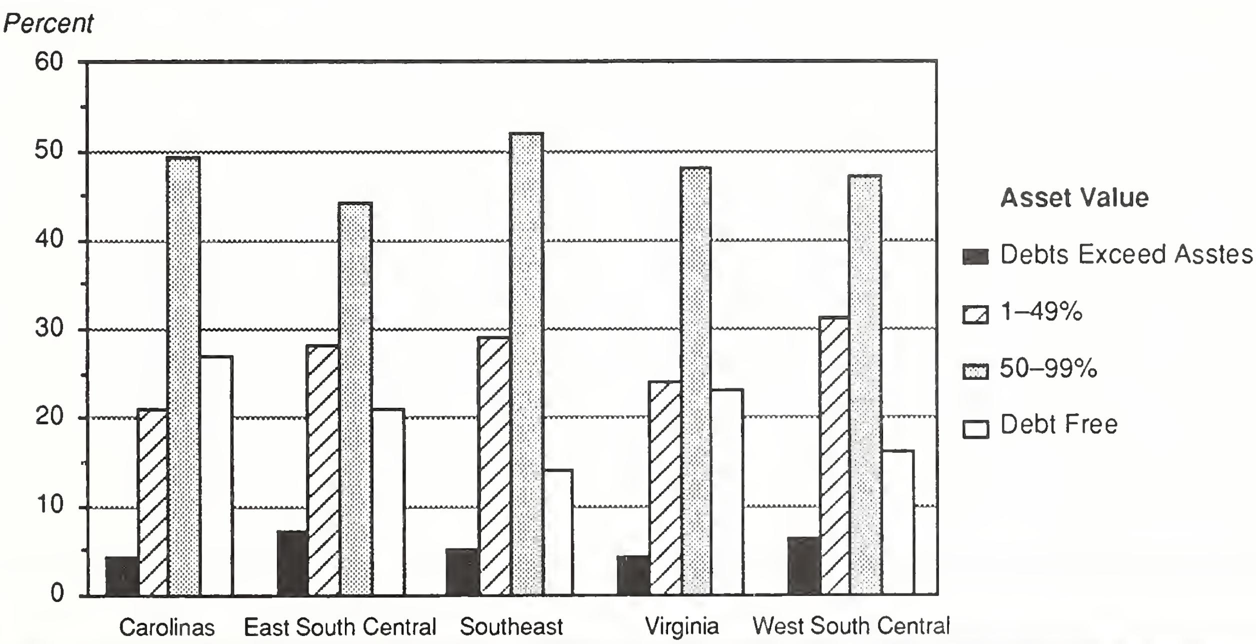


Figure 20— Distribution of Dairy Farmers in Each Region by Years in the Dairy Business

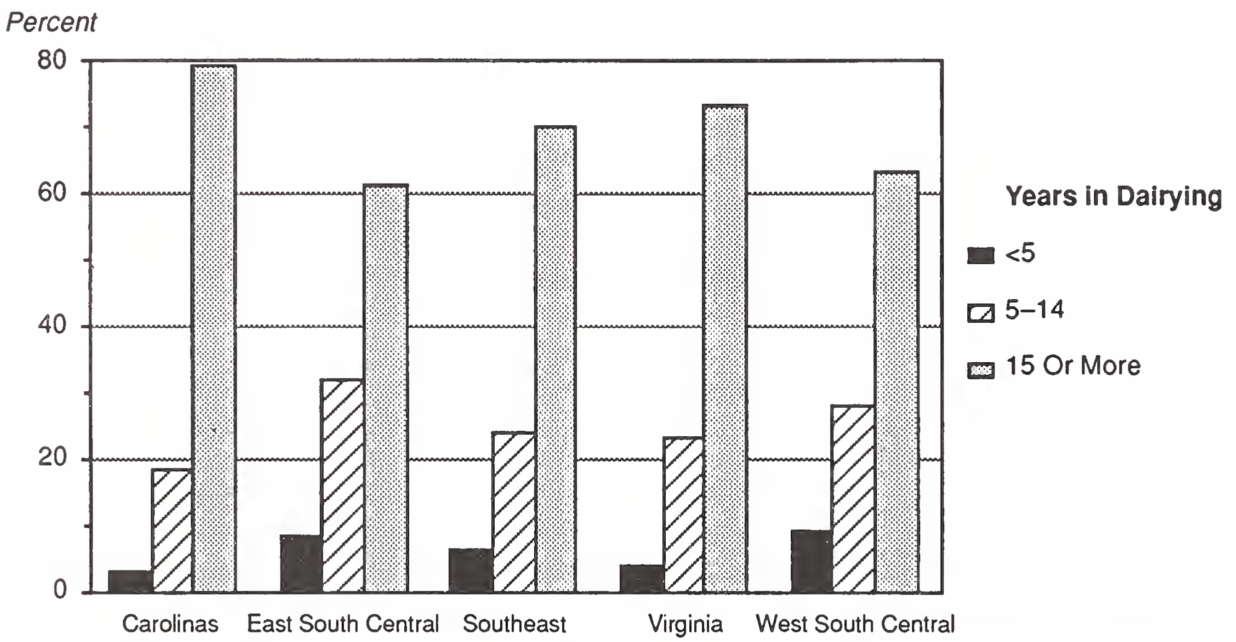


Figure 21— Distribution of Dairy Farmers in Each Region by Length of Time Selling to Current Handler

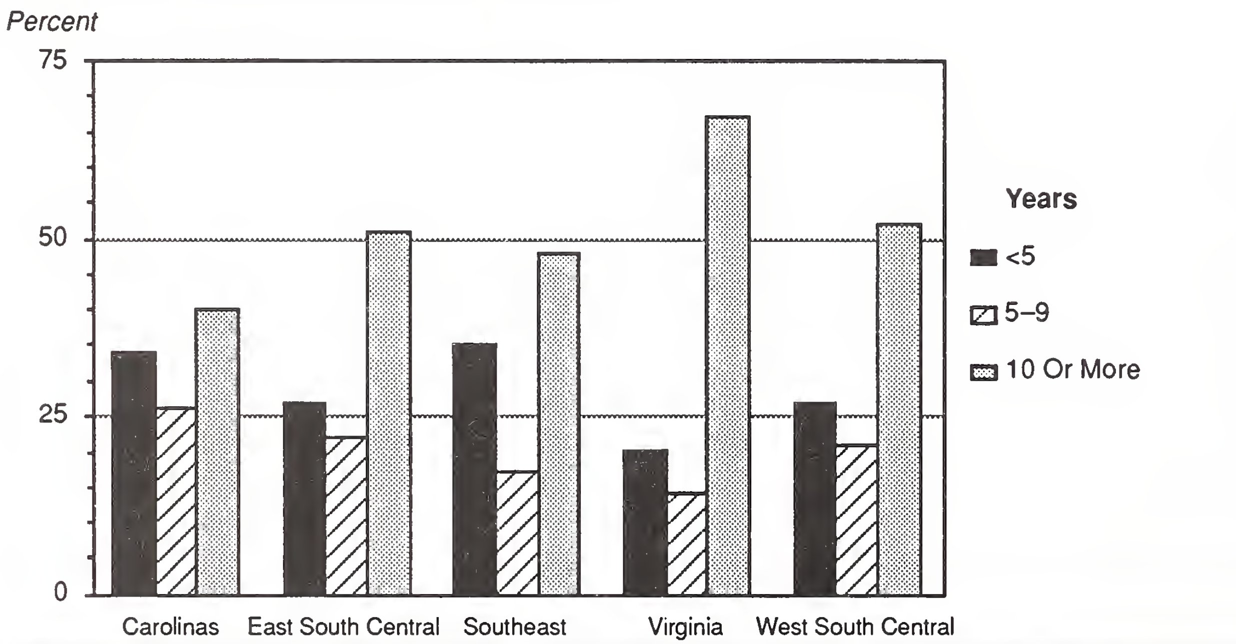


Table 14—Percentage of dairy farmers in each region by the milk handler situation

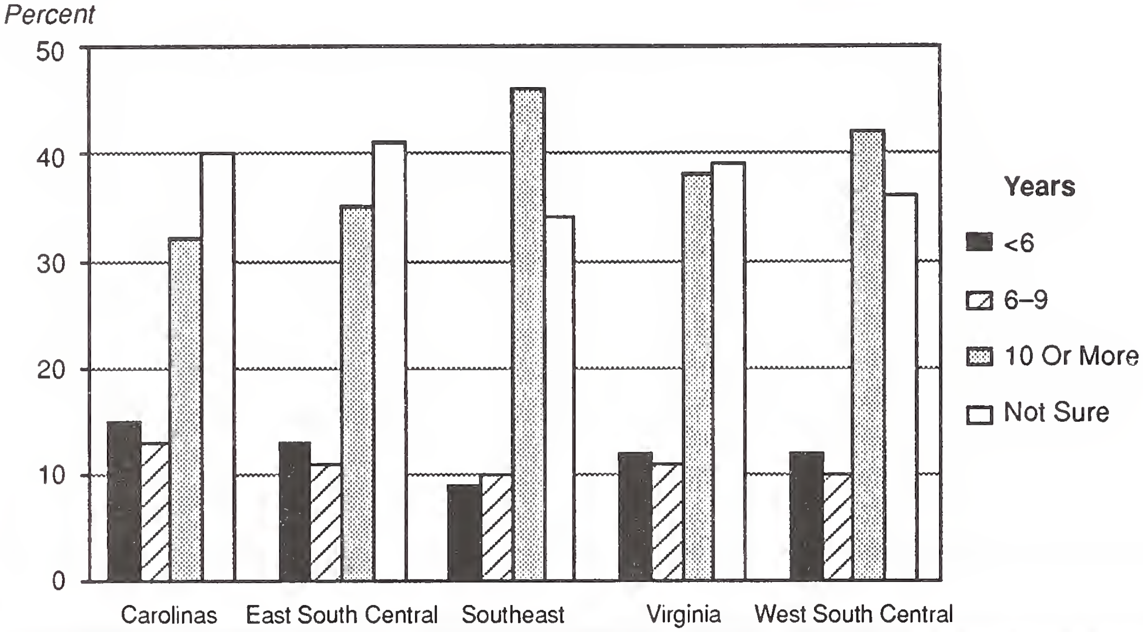
Region	Whether or Not, or Had to, Change Handlers in Past 5 Years			
	Changed by choice	Did not change	Had to change	
	Percent			(Number of farmers)
Carolinas	18	78	5	362
East South Central	16	81	3	1,073
Southeast	12	82	6	283
Virginia	11	88	1	275
West South Central	11	83	6	457

Region	Percentage of Farmers That Changed Handlers in Past 5 Years That Changed More Than Once:
	Percent
Carolinas	16
East South Central	14
Southeast	6
Virginia	9
West South Central	5

Region	Number of Alternative Milk Handlers			
	None	One	Two or more	
	Percent			(Number of farmers)
Carolinas	20	18	62	386
East South Central	32	18	51	1,104
Southeast	36	28	36	295
Virginia	24	34	41	282
West South Central	28	23	49	471

Region	Number of Milk Handler Representatives Contacting Farmers in Past 12 Months				
	None	One	Two	Three or more	
	Percent				(Number of farmers)
Proprietary plant representatives:					
Carolinas	89	7	3	2	386
East South Central	76	17	6	2	1,104
Southeast	84	11	4	1	295
Virginia	88	6	4	2	282
West South Central	92	6	2	0	471
Cooperative representatives:					
Carolinas	85	10	3	2	386
East South Central	82	13	5	1	1,104
Southeast	81	13	5	0	295
Virginia	87	8	5	0	282
West South Central	85	10	4	0	471

Figure 22— Distribution of Dairy Farmers in Each Region by Length of Time Farmer Expects to Remain in Dairy Business



responding to the survey in any region changed handlers due to a plant closing or their handler going out of business (1 to 6 percent). Of those changing handlers in the past 5 years, the largest percentage of farmers reporting changing more than once were in the Carolinas and East South Central regions (16 and 14 percent, respectively).

The Southeast had the largest proportion (36 percent) of farmers that indicated that they had no alternative to their current handler. More than one-half of the dairy farmers responding in the Carolinas and East South Central had two or more alternatives to their current handler.

The East South Central region was the only region where a higher proportion of farmers was contacted by proprietary milk plant representatives than by cooperative representatives. Also, the East South Central, along with the Southeast, had the highest proportion of farmers (18-19 percent) contacted by a cooperative representative among the regions.

The majority of farmers who switched milk handlers in the past 5 years changed to cooperatives in most regions, except in the East South Central (fig. 23). Of the farmers changing handlers in the Southeast, 94 percent switched to cooperatives, while in the East South Central, 72 percent switched to proprietary handlers. The Southeast and West South Central regions showed the highest percentage of farmers changing from one cooperative to another in the past 5 years (74 and 73 percent, respectively). Among the regions, the largest proportion of the changes from proprietary handlers to cooperatives was in Virginia (45 percent), while the largest proportion of changes from cooperatives to proprietary handlers was in the East South Central region (also 45 percent).

Virginia had the highest proportion of dairy farmers reporting being very satisfied with their current handler (42 percent, fig. 24). Only one-quarter of the farmers in the Carolinas region reported being very satisfied; 14 percent indicated dissatisfaction with their current handler, the largest proportion of any region.

Figure 23— Distribution of Dairy Farmers in Each Region by Most Recent Type of Change in Handler

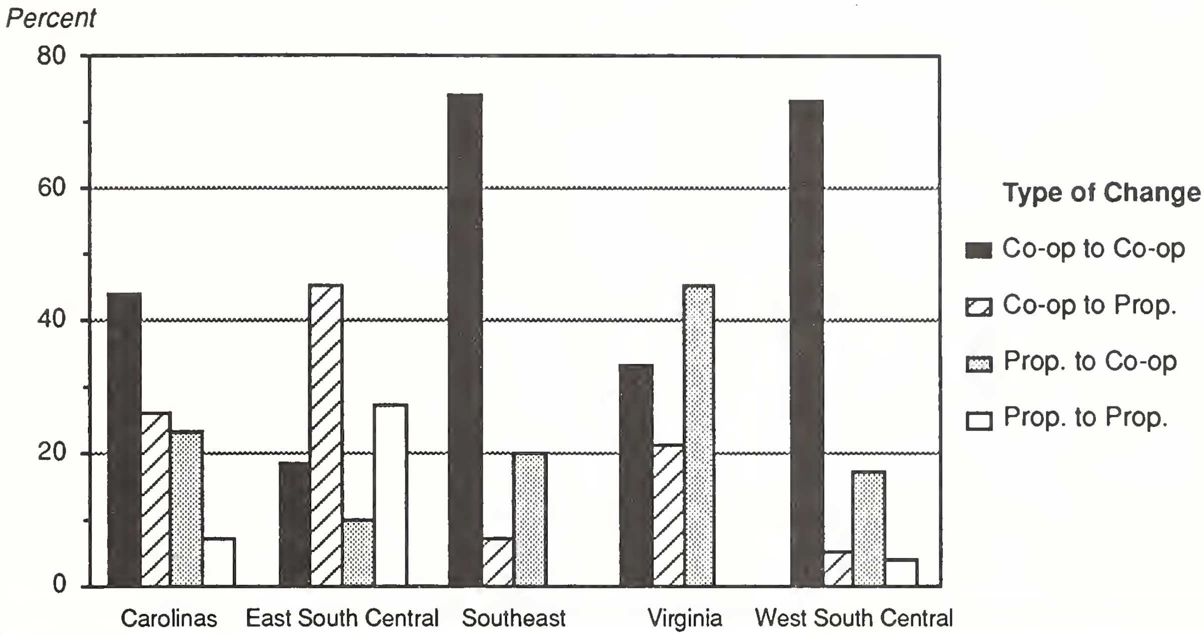
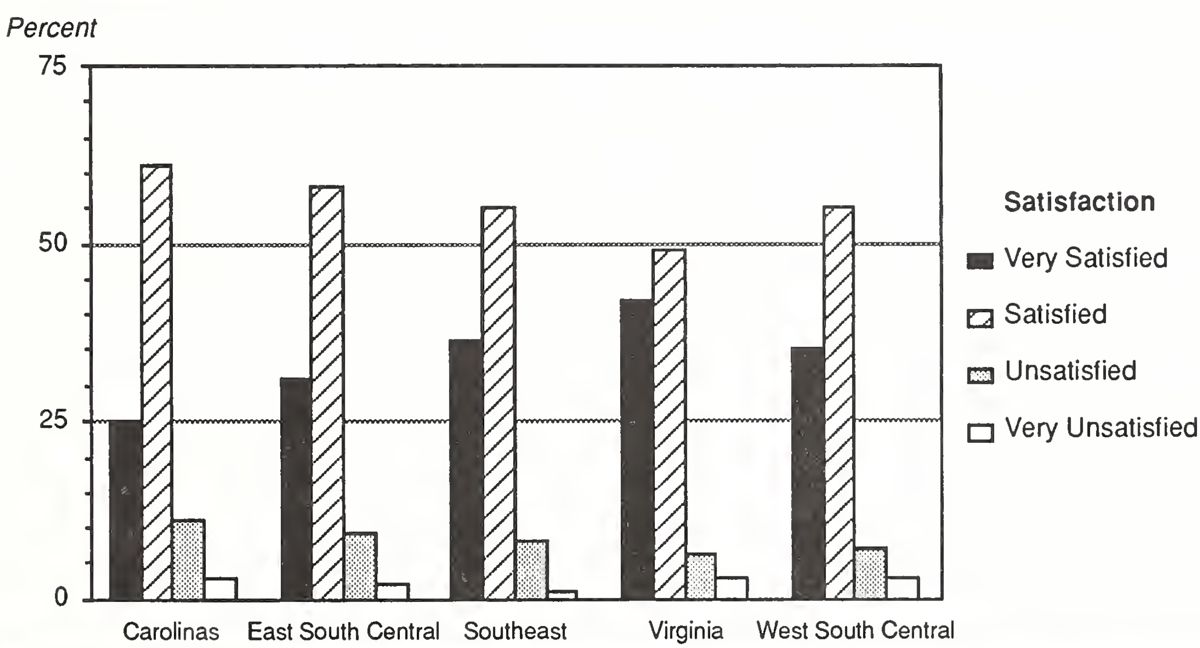


Figure 24— Distribution of Dairy Farmers in Each Region by Satisfaction Level



Reasons for Choosing Current Milk Handler

More than one-half of the farmers in all regions, except the Carolinas, listed two or more reasons for choosing their current milk handler. Fifty-two percent of the farmers in the Carolinas indicated only one reason for choosing their handler (table 15).

In all regions, the highest proportion of farmers indicated that they chose their current milk handler because of assured market and milk payment (table 16). However, a much larger percentage of Southeast dairy farmers indicated this reason (64 percent) compared to the other regions, which ranged from 41 percent of the farmers in the Carolinas to 57 percent of the West South Central farmers. The Carolinas and East South Central regions had the highest proportion of farmers that sold to proprietary handlers responding to the survey. Therefore, as seen in the first section, the lower percentage of farmers choosing their handler for an assured market and payment may simply be reflecting that those selling to proprietary handlers look for handlers that pay the highest price.

The second most frequently cited reason for choosing a milk handler varied from region to region. Thirty-four percent of the farmers in the Carolinas and East South Central regions reported that they chose their current handler because the handler paid the highest price. Just under one-third of the Virginia dairy farmers indicated friendly

Table 15—Percentage of dairy farmers in each region by the number of reasons indicated for choosing their current milk handler

Region	None	Only One	Two or more	
	Number of Reasons			
	-------------	*Percent*	------------	*(Number of farmers)*
Carolinas	2	52	47	386
East South Central	1	47	51	1,104
Southeast	1	47	52	295
Virginia	3	46	51	282
West South Central	1	43	56	471

Table 16—Reasons for dairy farmers to choose to sell milk through current handler in each region

Region	Pays highest price	Better services	Only choice	Friendly personnel	
	Reason				
		Percent			
Carolinas	34	22	19	23	
East South Central	34	32	18	28	
Southeast	33	34	13	22	
Virginia	24	28	14	32	
West South Central	35	41	11	24	
	Recommended by others	Lowest deductions	Assured market & payment	Other	
	-------------------------	*Percent*	-------------------------		*(Number of farmers)*
Carolinas	18	8	41	18	386
East South Central	18	10	49	10	1,104
Southeast	21	8	64	14	295
Virginia	23	11	53	22	282
West South Central	22	14	57	11	471

personnel. Forty-one percent of the West South Central farmers and 34 percent of the Southeast farmers picked their handler because the handler offered better services.

Reasons for Changing Milk Handlers

In all regions, receiving milk prices that were too low was the most frequently indicated reason that was a strong influence for changing milk handlers (appendix table 5). The percentage of farmers stating that low milk prices was a strong or moderate influence to change handlers varied from slightly over one-half of the farmers in the Southeast to 78 percent of the producers in the Carolinas (table 17). Special assessments and deductions that were too high was the next most frequently indicated reason as a strong or moderate influence to change handlers in all regions except the Southeast. From 48 to 56 percent of the farmers in the other regions felt that high assessments and/or deductions were a strong or moderate influence in their decision to change handlers, while only 23 percent of the dairy farmers in the Southeast reported this as a strong or moderate influence.

Poor on-farm services offered was a strong or moderate influence to change for 26 percent of the Southeast farmers (their second most frequent reason), but it was a strong or moderate influence for 34 percent of the West South Central producers (their fourth most frequently cited reason). Excessive hauling charges strongly or moderately motivated 48 percent of the West South Central dairy farmers to change handlers, the highest percentage among all regions, while 23 to 38 percent of the farmers in the other regions were motivated to change because of excessive hauling charges.

Just over one-third of the farmers in Virginia identified personal reasons as influencing them to change milk handlers, compared to 28 percent in the Carolinas and East South Central and 18 percent or less of the farmers in the remaining regions. Almost one-quarter of the farmers in the East South Central region were influenced to change because they were actively recruited, the largest proportion of farmers of any region. Other (unspecified) reasons provided a strong influence to change handlers for 34 percent of the dairy farmers in Virginia.

Reasons for Staying With Same Milk Handler

The four most popular reasons that were a strong influence to stay with the same milk handler were the same, and almost in the same order, for all

Table 17—Percentage of dairy farmers in each region indicating that the particular reason was a strong or moderate influence for changing milk handlers

Region	Price Too Low	Deductions Too High	Excessive Hauling	Poor Services	Incorrect Testing
			Percent		
Carolinas	78	48	38	16	16
East South Central	67	48	25	19	19
Southeast	51	23	23	26	14
Virginia	76	52	38	24	24
West South Central	72	56	48	34	20
	Personal Reasons	**Dropped by Previous Handler**	**Actively Recruited**	**Other**	
	Percent				*(Number of farmers)*
Carolinas	28	0	13	19	64
East South Central	28	5	24	1	169
Southeast	17	6	14	0	35
Virginia	34	3	10	34	29
West South Central	18	2	16	0	50

regions (table 18). A majority of farmers in all regions indicated that an assured market and a stable and secure operation were the top two most frequently indicated reasons that had a strong influence on dairy farmers' decisions to stay with the same handler. The third most frequently cited reason given as a strong influence not to change handlers in all regions was that the farmers had always sold to the handler ("tradition"). However, by far the largest percentage of farmers that reported this reason was in Virginia (60 percent), while just 43 to 48 percent of the farmers in any other region said tradition was a strong motivation to stay with the same handler.

Field services offered was a strong reason to stay with the same handler for 42 percent of the West South Central farmers, but it was a strong reason for only 23 and 29 percent of the farmers in the Carolinas and Southeast regions, respectively.

Some differences between regions show up when including farmers that indicated a reason was a moderate influence not to change handlers, as well as those indicating a reason was a strong influence (appendix table 6). A secure operation and an assured market remained the top two most frequently cited reasons in all regions. The third highest percentage of farmers indicated differing reasons, depending on the region. Farmers indicated better price in the Carolinas and West South Central, tradition in Virginia, and capable and friendly personnel in the remaining regions as a strong or moderate influence to stay with the same milk handler. However, better price was a strong or moderate influence to stay with the same handler for a larger percentage of Southeast producers than for farmers in the Carolinas (70 percent versus 67 percent).

All in all, there doesn't seem to be any striking differences between the regions concerning the rea-

Table 18—Percentage of dairy farmers in each region in descending order, indicating reasons that strongly influenced them to stay with the same milk handler

Carolinas		East South Central		Southeast	
Reason:	*(%)*	*Reason:*	*(%)*	*Reason:*	*(%)*
Secure operation	56	Assured market	60	Assured market	71
Assured market	53	Secure operation	58	Secure operation	68
Tradition	43	Tradition	47	Tradition	49
Personnel	42	Personnel	43	Personnel	43
Hauling rates	30	Field services	36	Loyalty	36
Loyalty	29	Hauling rates	30	Better price	36
Better price	28	Loyalty	28	Hauling rates	32
Field services	23	Better price	27	Field services	29
Low/no deductions	11	Low/no deductions	14	Low/no deductions	17
Selling breed milk	8	Selling breed milk	8	Selling breed milk	5
Other	7	Other	4	Other	0

Virginia		West South Central			
Reason:	*(%)*	*Reason:*	*(%)*	*Number of farmers:*	
Assured market	66	Secure operation	68	Carolinas	281
Secure operation	65	Assured market	66	East South Central	867
Tradition	60	Tradition	48	Southeast	231
Personnel	45	Personnel	46	Virginia	243
Field services	39	Field services	42	West South Central	381
Loyalty	39	Better price	37		
Hauling charges	36	Hauling rates	35		
Better price	25	Loyalty	34		
Low/no deductions	17	Low/no deductions	18		
Other	7	Selling breed milk	10		
Selling breed milk	7	Other	0		

sons for staying with the same milk handler. Most of the differences may be attributable to the proportion of farmers selling through cooperatives versus proprietary handlers rather than regional characteristics.

Opinions of Cooperative's Performance

The opinions of farmers concerning their cooperative and the services it provides did seem to vary according to region, though not too dramatically. Sixty-eight percent of the farmers in the Southeast, the highest percentage in any region (table 19), felt that their cooperative provided them with a better price for their milk than they could get from another handler. The West South Central region had the next largest proportion (61 percent) of farmers agreeing or tending to agree that their cooperative provided a better price. The East South Central farmers showed the greatest proportion (29 percent) of farmers disagreeing or tending to disagree that their cooperative provided them with a better price; it was the only region in which less than one-half of the farmers agreed.

A majority of dairy farmers in all the regions indicated that their cooperative provided them with better services than they could get from another handler. Again, the largest percentage of farmers agreeing or tending to agree were in the Southeast, followed by the West South Central region. Over three-quarters of all farmers in each region (except the Carolinas, where 64 percent agreed or tended to agree) felt that their cooperative kept them well informed on changes in the cooperative's operations, financial conditions, and marketing problems.

About three-fourths of the farmers in the Southeast, Virginia, and the West South Central regions indicated that their cooperative's management was doing a good job, while less than two-thirds of the farmers in the Carolinas and East South Central regions agreed or tended to agree. From 62 percent of the farmers in the Carolinas to 72 percent in the Southeast and West South Central regions thought that their cooperative treated all members equitably.

The Southeast region had the greatest percentage (72 percent) of farmers that agreed or tended to

Table 19—Dairy farmers' opinions, within each region, of their cooperative's performance

Opinion	Region: Carolinas	East South Central	Southeast	Virginia	West South Central
	Percent				
Percentage of farmers agreeing or tending to agree:					
Provides a better price	55	49	68	55	61
Provides better services	56	66	76	64	71
Keeps me informed	64	75	76	75	77
Management is doing a good job	62	64	76	76	75
Treats all members equitably	62	66	72	68	72
Holds down costs	56	57	72	65	68
Provides benefits to nonmembers	29	36	36	34	35
Percentage of farmers disagreeing or tending to disagree:					
Provides a better price	21	29	16	19	21
Provides better services	12	11	8	7	13
Keeps me informed	16	11	12	11	10
Management is doing a good job	16	18	12	10	11
Treats all members equitably	11	15	16	14	12
Holds down costs	16	22	15	16	14
Provides benefits to nonmembers	15	18	17	14	15
	Number				
Total Farmers	316	786	275	271	432

agree that their cooperative did a good job in holding down operating and marketing costs. The Carolinas and East South Central regions had the lowest proportion—slightly over one-half of the farmers thought their cooperative held costs down. In fact, 22 percent of the cooperative members responding in the East South Central region disagreed or tended to disagree that their cooperative did a good job holding costs down.

From 46 percent of the farmers in the Southeast to 56 percent in the Carolinas had no opinion or did not respond to the statement that their cooperative provided significant benefits to nonmembers (appendix table 7). Dairy farmers may not have been aware of the benefits that cooperatives provide to nonmembers, especially in terms of market efficiency and enhancing milk prices in the overall market. However, just over one-third of the farmers in each region, except for the Carolinas (29 percent), agreed or tended to agree that their cooperative did provide benefits to nonmembers.

Farmers in each region appear to be fairly confident about the performance of their cooperatives. A majority of farmers in each region indicated agreement with all the statements, except that the cooperative provides significant benefits to nonmembers. Larger proportions of Southeast dairy farmers indicated agreement with each of the statements than did farmers in the other regions. The East South Central region stands out in that its farmers thought their cooperative could do a better job in terms of milk prices and in holding down costs. Farmers in the Carolinas generally gave their cooperatives the lowest performance ratings among all regions, except for "provides a better price."

Evaluation of Services Offered by Cooperative

The evaluation of the services provided by cooperatives differed among the regions. The widest ranges among the regions in percentage of farmers ranking their cooperative's services excellent were in the areas of selling milking supplies and equipment, providing an assured market, and providing market information. The largest differences in the proportion of farmers ranking a service poor within a region were in the areas of the cooperative's performance of field services and providing market information.

Milk hauling was rated excellent by a majority of producers in each region, except for the Southeast where 41 percent of the producers rated cooperative hauling excellent and 7 percent rated it poor (table 20). In evaluating their cooperative's performance of field services, the lowest proportion of farmers rating these services as excellent was in the Southeast and in the Carolinas (29 and 28 percent, respectively). Fourteen percent of the Southeast farmers rated cooperative field services poor. From 40 to 44 percent of the farmers in the other three regions rated their cooperative's field services excellent. There did not seem to be much difference between regions as to how farmers rated their cooperative's checking of milk weights and tests.

From 61 to 66 percent of the farmers in each region, except the Carolinas (46 percent), rated their cooperative excellent in providing an assured market. However, the highest percentage of farmers not responding (20 percent) was also in the Carolinas region, close to twice as many as in the other regions. The same pattern held true in the farmers' rating of their cooperative's provision of market information and in providing leadership in policymaking matters. However, for these two services provided by cooperatives, 12 and 10 percent of the farmers in the Carolinas region rated them poor, almost twice the level of most of the other regions.

It is difficult to compare farmers' rating of their cooperative's service of selling milking supplies and equipment due to the differing proportions of farmers indicating that their cooperative did not offer the service. Only 16 percent of the farmers in the Carolinas region rated this service as excellent; 33 percent said that it was not offered. The highest proportion of dairy farmers rating the selling of dairy supplies and equipment excellent was in the East South Central region (38 percent); only 10 percent said the service was not offered. The Southeast had the highest percentage of farmers indicating that their cooperative did not sell

milking supplies and equipment (36 percent); one-fourth reported that this service was excellent.

The evaluation of cooperative services indicates areas that the cooperatives in each region can improve upon. In the Carolinas, cooperatives need to improve in just about every service they provide. The percentage of the membership rating each of their cooperative's services (except for milk hauling) excellent were lowest among all regions.

It appears that the cooperatives operating in the West South Central region were doing a good job overall. Cooperatives in Virginia and the East South Central regions also seemed to satisfy their members, as they most often had the highest or next to the highest percentages of farmers that ranked each service excellent. Cooperatives in the East South Central region, however, could improve their leadership in policymaking matters and field services.

Table 20—Percentage of dairy farmers, in each region, by rating given to services provided by the cooperatives

Service	Excellent	Average	Poor	Not offered	No response
			Percent		
Milk hauling:					
Carolinas	50	26	3	3	18
East South Central	53	34	2	1	11
Southeast	41	42	7	2	9
Virginia	54	32	2	2	10
West South Central	52	34	3	2	10
Performing field services:					
Carolinas	28	40	9	5	19
East South Central	40	38	8	2	11
Southeast	29	43	14	6	9
Virginia	43	38	7	1	10
West South Central	44	35	9	3	9
Checking milk weights and tests:					
Carolinas	31	34	6	9	21
East South Central	39	40	5	4	12
Southeast	38	38	9	7	8
Virginia	39	39	3	8	11
West South Central	40	35	6	8	10
Providing an assured market:					
Carolinas	46	31	2	1	20
East South Central	61	25	2	1	11
Southeast	65	25	1	0	8
Virginia	66	23	0	1	10
West South Central	66	22	1	0	10
Providing market information:					
Carolinas	27	37	12	4	20
East South Central	42	39	6	1	12
Southeast	45	39	6	1	9
Virginia	44	39	5	1	11
West South Central	47	35	6	1	10
Selling dairy supplies:					
Carolinas	16	24	6	33	20
East South Central	38	31	8	10	13
Southeast	25	22	5	36	12
Virginia	33	33	6	15	13
West South Central	31	28	6	25	11
Providing policymaking leadership:					
Carolinas	32	34	10	4	21
East South Central	38	39	6	3	13
Southeast	43	38	5	3	12
Virginia	40	36	7	3	14
West South Central	47	30	6	4	12

The cooperatives in the Southeast may need to examine their performance of field services because 14 percent of their members rated them poor in this area. Otherwise, Southeastern dairy farmers seemed satisfied with the services provided by their cooperatives.

Changes Needed to Keep Cooperative Competitive

The responses of the dairy farmers in each region indicate the directions cooperative managers may take the cooperatives with the highest level of producer-member support. It also reveals changes that would take significant education and/or persuasion to gain producer-member support.

There were regional differences in the changes that dairy farmers believed were needed in the future to assure that their cooperatives would be competitive in selling members' milk. The widest range in all regions in the proportion of farmers agreeing and disagreeing with the proposed changes occurred in the proposal to increase profitability of milk sold through the cooperative by processing or manufacturing more members' milk. In addition, there was a large range in the percentage of farmers in each region disagreeing with the proposal that cooperatives should engage in plant ownership with proprietary handlers. Wide differences between the regions also occurred in the proportion of farmers agreeing with the proposal that the cooperative should just market milk and nothing else.

A majority of farmers in the East and West South Central regions (52 and 54 percent, respectively) agreed that their cooperative should increase profitability by processing or manufacturing more member milk (table 21). The regions with the next largest proportion of farmers in agreement with processing or manufacturing more member milk were the Carolinas and Virginia (48 and 46 percent). Managers of cooperatives operating in the Southeast may face a dilemma in deciding whether or not to process or manufacture more member milk. A large percentage of farmers were on opposite sides of the fence; 38 percent agreed that more member milk should be processed or manufactured, while almost one-fourth disagreed with this change.

Twenty-one percent of the farmers in the West South Central region agreed that member investment requirements should be increased as needed for profitable marketing programs, a slightly higher proportion of farmers than in the other regions. Over 80 percent of the farmers in the other regions disagreed, were undecided, or did not respond to this statement.

The Southeast region had the most farmers (42 percent) not in favor of merging hauling operations with other cooperatives, while only one-third of the farmers in the Carolinas and Virginia disagreed. In every region, however, more disagreed than agreed with this proposal. Over one-half of the farmers in the Carolinas, Virginia, and the West South Central regions did not think that all operations should be merged with other cooperatives. Only low percentages of farmers in the other regions agreed that all operations should be merged with other cooperatives.

Just 19 percent of the farmers in the East South Central and Virginia regions, and 10 percent of the farmers in the Carolinas, agreed that their cooperative should engage in plant ownership with other cooperatives. Even lower percentages of farmers in each region thought their cooperative should engage in plant ownership with proprietary corporations. Fifty-five percent of the farmers in the Southeast disagreed with engaging in plant ownership with proprietary corporations, while 40 to 45 percent of the farmers in the other regions disagreed.

One-half or more of the farmers in each region, except for the Carolinas, wanted their cooperative to do more than just market milk.

Member Participation in Their Cooperative

The proportion of farmers engaging in the various activities of their cooperatives also varied among the regions (table 22). The Southeast had the highest percentage of farmers attending district, division, or annual meetings (72 percent), while the other regions ranged between 56 and 59 percent. The Southeast also had the largest proportion of

Table 21—Percentage of dairy farmers, in each region, by opinion of the future changes that cooperatives need to make to keep competitive

Future Change	Opinion			
	Agree	Undecided	Disagree	No response
			Percent	
Process or manufacture more member milk to increase profitability:				
Carolinas	48	19	10	23
East South Central	52	25	8	15
Southeast	38	27	23	12
Virginia	46	27	9	18
West South Central	54	23	8	15
Increase member investment requirements for profitable marketing programs:				
Carolinas	15	32	30	23
East South Central	15	38	31	16
Southeast	16	34	38	12
Virginia	18	35	26	20
West South Central	21	33	28	17
Merge hauling operations:				
Carolinas	20	25	33	22
East South Central	16	33	34	16
Southeast	20	27	42	12
Virginia	18	32	33	17
West South Central	23	22	39	16
Merge all operations with other cooperatives:				
Carolinas	8	20	50	23
East South Central	10	28	46	16
Southeast	15	28	45	12
Virginia	6	23	53	18
West South Central	13	19	54	15
Joint plant ownership with other cooperatives:				
Carolinas	10	26	41	23
East South Central	19	33	32	17
Southeast	17	33	37	12
Virginia	19	30	32	18
West South Central	17	30	38	16
Joint plant ownership with proprietary handlers:				
Carolinas	5	28	44	23
East South Central	10	33	40	17
Southeast	5	27	55	13
Virginia	10	30	41	18
West South Central	13	26	45	16
Just market milk:				
Carolinas	20	18	40	23
East South Central	11	22	50	17
Southeast	16	21	51	12
Virginia	10	20	50	20
West South Central	14	17	54	15

Table 22—Percentage of dairy farmers, in each region, participating in various cooperative activities

Activity	Region				
	Carolinas	East South Central	Southeast	Virginia	West South Central
			Percent		
Attended district/division/ annual meetings	56	57	72	59	56
Voted in election of delegates/board members	61	55	72	55	56
Read cooperative magazines and publications	64	82	86	76	85
Maintained close contact with fieldmen and management	56	54	54	58	54
Personally contacted management about problems and concerns	50	42	60	48	52
Served on cooperative committee	19	8	24	8	8
Served as a delegate to annual meeting	8	5	13	4	6
Served as a director at some level	17	5	24	7	6
			Number		
Total Farmers	316	786	275	271	432

farmers voting in the election of delegates or board members (72 percent), while just 55 percent of the farmers in the East South Central and Virginia regions voted. Sixty-four percent of the farmers in the Carolinas region read cooperative magazines and publications, the lowest proportion in any region, compared to a high of 86 percent in the Southeast.

Similar percentages of farmers maintained close contact with cooperative fieldmen and management in each region (54 to 58 percent). However, 60 percent of the Southeast farmers personally contacted cooperative management about problems and concerns, while just 42 percent of the East South Central farmers did so. Again, a larger proportion of Southeast farmers served on a cooperative committee (24 percent) compared to the other regions (19 percent in the Carolinas and 8 percent in the others). Also, a higher proportion of farmers in the Southeast served as a delegate to an annual meeting or as a director at some level than did in the other regions.

These responses indicate that dairy farmers in the Southeast were more active in their cooperatives than the farmers in other regions. Cooperative managers in the Virginia, East South Central and West South Central regions need to encourage members to vote. Farmers in the Virginia and East South Central regions need encouragement to express their problems and concerns to management.

Conclusions on the Differences Between Regions

The dairy farmers in the Carolinas appeared to have the most tenure in dairying—on average, operators were older than the ones in the other regions, they

had been dairying the most years, and this region had the highest percentage of debt-free farmers. Farmers in the Carolinas showed the most movement between handlers, perhaps because they had the largest number of alternative handlers, on average. It appeared that farmers changed handlers to obtain a better price, though most of the changes were from one cooperative to another. Despite having the highest frequency of farmers that changed handlers, Carolina farmers were the least satisfied with their milk handler compared to other regions. Farmers in the Carolinas rated many of their cooperatives' functions and services lower than did farmers in other regions. These are potential sources of dissatisfaction.

The East South Central dairy farmers appeared to focus the least on dairying. Large proportions of farmers (as compared to the other regions) had low average annual milk production per cow, smaller herd sizes, and used smaller acreage for the dairy operation. Also, income from milk and dairy animal sales made up a smaller portion of total farm income. The East South Central farmers had the second most alternatives to their milk handler and the highest proportion of farmers contacted by both cooperative and proprietary milk plant representatives. This active recruitment was probably an important reason why East South Central farmers voluntarily changed handlers the second most frequently among all the regions. Most likely, the frequent change from a cooperative to a proprietary handler was because cooperatives in the East South Central appeared to need improvement in providing a better price, holding down costs, and improving their management.

The Southeast dairy farm structure appears noticeably different from the other regions. It has the highest percentage of large herds, family corporations, specialized dairy farms with over 90 percent of the farm income from milk and dairy animal sales, large acreage in the dairy operation, and the lowest percentage of debt-free farmers. The large percentage of farmers that marketed through their current handler less than 5 years, and the small percentage that had changed handlers in the past 5 years, indicated that there were quite a few new entrants into dairying in this region. A much higher percentage of farmers in the Southeast, compared to other regions, indicated that an assured market was the reason for both choosing their current milk handler and for staying with the same handler. Milk price was not as big an issue with the Southeast farmers because a larger percentage felt that their cooperative provided them with a better price as compared to other regions. The higher level of involvement in the various cooperative activities on the part of Southeast dairy farmers may have led to increased understanding of cooperative operations, a factor in the higher ratings given to their cooperatives' performance.

Virginia producers follow behind producers in the Carolinas in terms of the age of the operator, years in dairying, and the percentage that were debt free. They had, however, the highest average annual milk production per cow. They also appeared to be the most stable group, having marketed through their current handler for an average of 17 years, and they had the lowest percentage of farmers that changed handlers in the past 5 years, possibly the result of being highly satisfied with their milk handler. Also, the history they had with their handler encouraged 60 percent of the farmers in Virginia to continue selling to that handler. Cooperatives appear to meet dairy farmers' needs in Virginia because the majority of farmers who did switch handlers switched to cooperatives. Overall, these farmers gave their cooperatives good marks on performance and services.

Farmers in the West South Central region were the youngest, had been dairying the shortest time, and had the highest percentage of individually owned operations. They had the second largest herds and the second highest percentage of farms where milk and dairy animal sales made up over 90 percent of their total farm income. West South Central producers rated most of the services provided by their cooperative excellent more frequently than farmers in any other region, except for milk hauling and selling dairy supplies.

EVALUATION OF MILK HANDLERS ACCORDING TO FARM AND FARMER CHARACTERISTICS

The farmers' responses were further classified according to various farm and farmer characteristics to determine if they were associated with different levels of farmer satisfaction with their milk handler, their reasons for changing/not changing handlers, or their opinions about their cooperative. This could indicate to milk handlers and cooperative managers some of the bases for the differing needs and attitudes of the producers they serve.

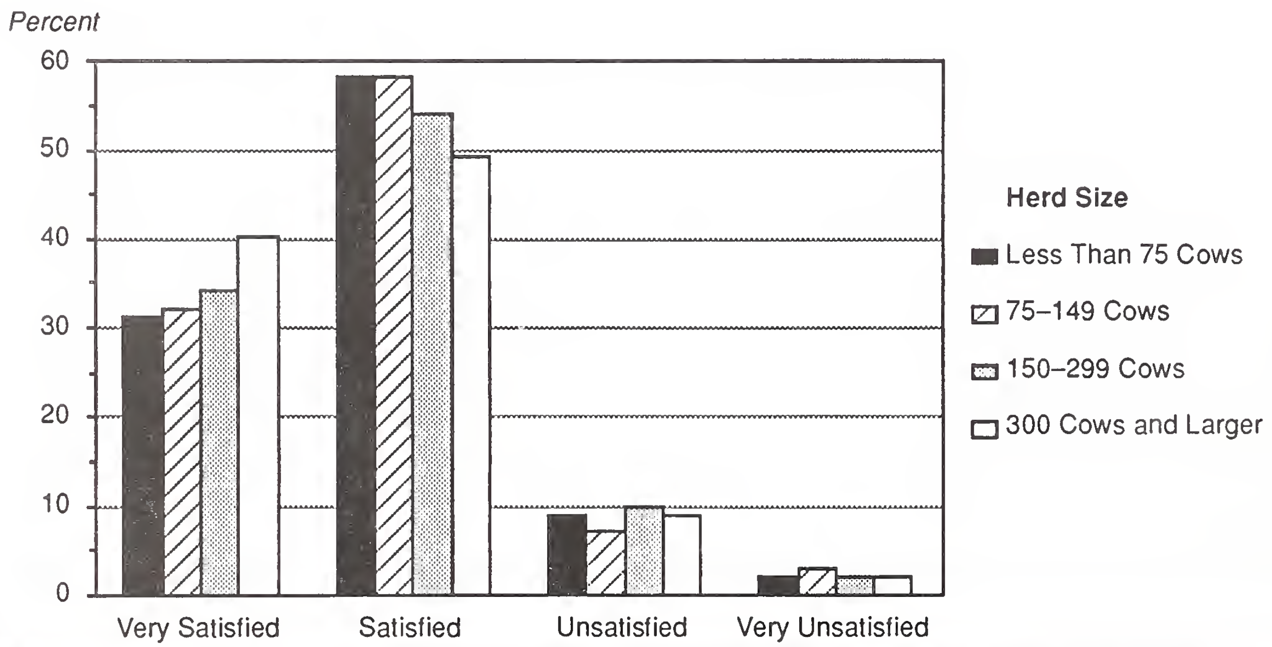
However, the herd size, annual milk production per cow, and farm acreage differed markedly between regions, as shown in the previous section. Observations based on farm characteristics may be strongly influenced by regional differences. For example, conclusions drawn from examining the largest herd size category may have reflected the evaluation of milk handlers by farmers in the Southeast, because most of the large herds were in that region. Similarly, evaluations of milk handlers by farmers of various sizes of operation may actually reflect farmer attitudes in a particular region. Conclusions drawn from other farm or farmer characteristic groupings appear to have less regional bias.

Level of Satisfaction With Current Milk Handler

There was not much difference in the satisfaction level reported by farmers when classified according to farm characteristics, such as annual milk production per cow, acreage, debt-to-asset situation, and so forth (appendix table 8). The widest spread in the percentage of farmers who were very satisfied with their current milk handler was seen when categorizing farmers by size of their milking herd (fig. 25). As the size of their herd increased, the percentage of farmers reporting being very satisfied increased.

The characteristics of the operator (age, num-

Figure 25— Distribution of Dairy Farmers by Satisfaction Level and Herd Size



ber of years in dairying, etc.) did not seem to impact farmers' satisfaction levels with their current handler either. The largest difference between the percentage of farmers in a group that reported being very satisfied with their milk handler was between those marketing milk through their current handler less than 2 years (41 percent) and those marketing with their current handler for 5 to 9 years (28 percent, fig. 26).

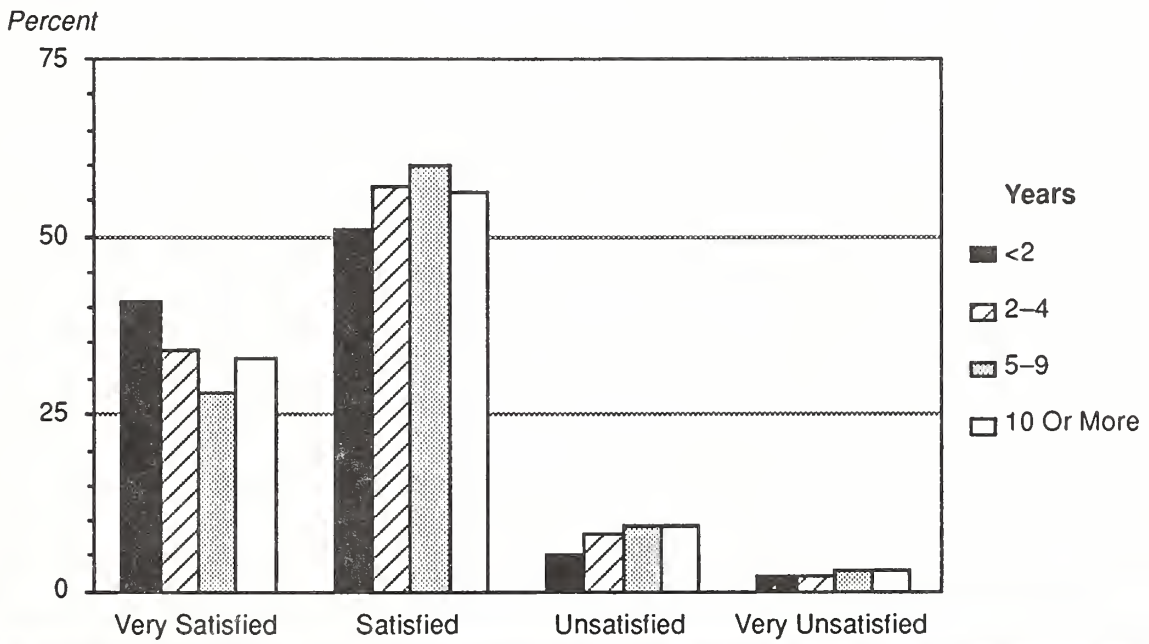
Reasons for Changing Handlers

No major differences in the reasons specified were apparent as to what type of farms or farmers had changed handlers in the past 5 years (table 23). The highest percentage of farmers in any category of each farm and farmer characteristic reported low milk prices, followed by high deductions and special assessments, as a strong or moderate influence in their decision to change handlers (appendix tables 9 - 11). (Farmers with 80 to 89 percent of total farm income from the sale of milk and dairy animals were the one exception; here "personal reasons" was the second most frequent strong or moderate influence to change handlers.) However, the percentage of farmers within each category who indicated that low milk prices and/or high deductions were strong reasons to change handlers varied substantially.

Reasons for Staying With the Same Milk Handler

The highest percentage of farmers in practically every group within each farm or farmer category indicated that a stable and secure operation was a strong or moderate influence in the decision to stay with their current handler (appendix tables 12 - 14). For a few categories, the percentage of farmers that indicated that an assured market was a strong or moderate influence to stay with the same handler was the same, or 1 percent higher, than those that indicated that a stable and secure operation was a major influence.

Figure 26— Distribution of Dairy Farmers by Satisfaction Level and Length of Time with Current Handler



Opinions of Cooperative's Performance

The percentage of farmers agreeing with the statements about their cooperative's performance were also grouped according to dairy farm and farmer characteristics (table 24). As the herd size increased and the total acreage in the dairy operation increased, so did the percentage of farmers agreeing with each of the statements about their cooperative. The largest difference in the percentage of farmers agreeing within a category was between the largest and the smallest herd-size groups. Forty percent of the farmers with 300 or more milking cows agreed that their cooperative provided a better price than they could get from other handlers, but just 21 percent of the farmers with fewer than 75 cows agreed that their cooperative provided a better price.

Larger farms may be in a better position to take advantage of cooperative services. About 48 percent of the farmers with more than 1,000 acres agreed that their cooperative provided them with better services than they could get from other handlers, while only 30 percent of the dairy farmers with less than 100 acres agreed. In addition, 47 percent of the farmers with more than 300 milk cows agreed that their cooperative provided them with better services, while 33 percent of the farmers with less than 75 cows agreed their cooperative provided better services. These results relating to size of operation may reflect the area where the large farms were located, where there were few alternatives to selling to a cooperative.

A larger proportion of farmers that were in family corporations agreed with each statement about their cooperative than farmers in any other

Table 23—Percentage of dairy farmers according to farm and farmer characteristics, that changed milk handlers voluntarily in past 5 years

Characteristic	(Percent)	Characteristic	(Percent)
Size of milking cow herd:		Ownership arrangement of dairy farm:	
Less than 75 cows	16	Individual owner	18
75 to 149 cows	18	Father-son partnership	19
150 to 299 cows	21	Other partnership	19
300 cows and over	20	Family corporation	19
Annual milk production per cow:		Facilities:	
Less than 12,000 lb	15	-Owned	18
12,000 to 13,999 lb	23	-Rented	15
14,000 to 15,999 lb	18		
16,000 lb and more	18		
Dairy farm acreage:		Percentage of total farm income from the sale of milk and dairy animals:	
Less than 100 acres	19	Less than 80 percent	18
100 to 499 acres	17	80 to 89 percent	16
500 to 999 acres	23	90 to 100 percent	19
1,000 acres and over	22		
Sales value of operation remaining after all debts are repaid:		How much longer farmers expect to remain in the dairy business:	
Less than 50 percent	21	10 years or less	21
50 to 99 percent	18	More than 10 years	18
Debt free	14	Not sure	17
Age of principal operator:		Number of years the principal operator has been a dairy farmer:	
Less than 40 years	18	Less than 5 years	14
40 to 59 years	19	5 to 14 years	22
60 years and older	15	15 years and longer	17

type of ownership arrangement. Those under other partnership arrangements usually had the lowest percentages of farmers agreeing with the statements.

A higher percentage of older farmers agreed with each of the statements about their cooperative's performance than those in the younger age categories. However, the percentage of farmers in agreement does not always increase with the number of years they have been in the dairy business, as one might expect from the age category results.

For most of the statements, a higher percentage of the farmers that had been dairying less than 5 years were in agreement compared to those dairying between 5 and 15 years. In all areas, the highest proportion of farmers in agreement were those that had been dairying the longest (15 years or longer).

A higher percentage of farmers that had marketed milk through their current cooperative longer than 10 years agreed with statements about their cooperative, except about price, than did those selling to cooperatives for shorter periods. Farmers who were not sure how long they would be dairying showed the lowest level of agreement for each statement about their cooperative's performance, compared to those who had an expected length of time.

Table 24—Distribution of farmers agreeing with statement about cooperative performance, according to dairy farm and farmer characteristics

Characteristic	My Cooperative provides			My Cooperative			
	better milk price	better services	significant benefits to nonmembers	keeps members informed	management is doing a good job	treats members equitably	holds down its costs
				Percent			
Size of milking herd:							
Less than 75 cows	21	33	15	46	35	36	26
75 to 149 cows	29	36	18	48	40	43	33
150 to 299 cows	32	38	22	54	40	46	36
300 cows and over	40	47	24	56	45	47	35
Annual milk production per cow:							
Less than 12,000 lb	26	35	48	37	38	30	17
12,000 to 13,999 lb	25	35	47	35	38	27	17
14,000 to 15,999 lb	28	38	49	37	40	30	18
16,000 lb and more	29	37	49	42	46	35	19
Total acres in dairy operation:							
Less than 100 acres	24	30	14	46	37	35	29
100 to 499 acres	27	35	17	47	37	40	30
500 to 999 acres	30	40	23	53	43	47	36
1,000 acres and larger	37	48	27	61	39	46	37
Ownership arrangement of dairy operation:							
Individual owner	26	35	18	48	38	40	30
Father/son partnership	30	37	18	50	42	44	38
Other partnership	22	30	17	42	32	41	28
Family corporation	34	45	21	57	42	47	35
Own facilities	28	37	18	50	39	42	32
Rent facilities	24	33	15	46	36	36	27

(Cont.)

Table 24 (cont.)—Distribution of farmers agreeing with statement about cooperative performance, according to dairy farm and farmer characteristics

Characteristic	My Cooperative provides: better milk price	My Cooperative provides: better services	My Cooperative provides: significant benefits to nonmembers	My Cooperative: keeps members informed	My Cooperative: management is doing a good job	My Cooperative: treats members equitably	My Cooperative: holds down its costs
				Percent			
Percentage of total farm income from milk and dairy animal sales:							
Less than 80 percent	27	36	18	46	39	39	33
80 to 89 percent	23	34	17	49	38	39	27
90 to 100 percent	29	37	19	50	39	43	32
Sales value of operation remaining after all debts are repaid:							
Less than 50 percent	25	34	15	47	34	37	30
50 to 99 percent	31	39	20	50	42	44	33
Debt free	25	35	19	51	40	44	31
Age of principal operator:							
Less than 40 years old	25	35	14	45	36	39	28
40 to 59 years old	28	36	19	49	38	40	32
60 years and older	30	38	21	54	45	48	35
Number of years the principal operator has been a dairy farmer:							
Less than 5 years	23	35	9	44	38	40	25
5 to 14 years	22	34	13	45	33	33	28
15 years and longer	30	38	21	52	41	46	34
Length of time marketing through current milk handler:							
Less than 10 years	28	32	12	43	36	38	30
10 years and longer	27	40	22	53	40	43	32
Length of time dairy farmer expects to remain in the dairy business:							
Less than 10 years	28	36	18	52	43	47	33
More than 10 years	30	39	20	50	39	43	35
Not sure	25	33	17	46	36	36	27

Evaluation of Services Offered by Cooperative

The percentage of farmers rating their cooperative's services excellent were grouped according to farm and farmer characteristics (table 25). The percentage of farmers rating their cooperative's selling of milking supplies and equipment excellent dropped as herd size increased, but this was because the percentage of farmers reporting that this service was not offered rose as herd size increased. For all other services provided by the cooperative, the percentage of farmers rating the service excellent increased as herd size increased, except for milk hauling and field services where the lowest percentage of farmers that rated them excellent was in the largest herd-size category. As the age of the operator, and the length of time in dairying increased, the percentage of farmers rating cooperative service excellent increased. For example, 53 percent of the farmers that had been dairying 15 years or longer rated milk hauling operating routes or arrangements excellent, compared to 44 percent of those farmers that operated a dairy for less than 5 years.

As in the evaluation of their cooperative's performance, a lower percentage of those not sure how long they would remain in the dairy business rated each of their cooperative's services excellent. There was very little difference in the rating between those expecting to remain longer than 10 years and those planning on exiting within 10 years. Thus, dissatisfaction with the cooperative does not seem to be a factor in the decision to quit dairying. Farmers not sure about how long they will dairy

Table 25—Distribution of dairy farmers rating cooperative services excellent, according to farm and farmer characteristics

	Service Rated						
Characteristic	Milk hauling	Performance of field services	Checking milk wts and tests	Providing an assured market	Providing marketing information	Selling milking supplies	Providing policymaking leadership
				Percent			
Size of milking herd:							
Less than 75 cows	50	37	37	58	40	35	37
75 to 149 cows	51	39	37	61	41	29	40
150 to 299 cows	53	39	40	67	43	31	49
300 cows and over	49	33	41	70	48	19	49
Annual milk production per cow:							
Less than 12,000 lb	52	32	34	56	42	33	38
12,000 to 13,999 lb	48	38	34	57	37	31	37
14,000 to 15,999 lb	51	40	41	65	43	33	41
16,000 lb and more	54	39	39	66	43	27	45
Total acres in dairy operation:							
Less than 100 acres	44	33	33	55	38	28	34
100 to 499 acres	51	38	38	61	42	32	39
500 to 999 acres	55	41	40	65	39	30	49
1,000+ acres	51	34	38	72	52	25	48
Ownership arrangement of dairy operation:							
Individual owner	51	39	38	61	42	32	40
Father/son partners.	50	38	38	61	40	29	41
Other partnership	55	34	37	60	34	29	39
Family corporation	55	38	39	67	48	31	43
Own facilities	52	38	39	62	42	31	41
Rent facilities	49	36	34	60	40	33	38

(Cont.)

Table 25 (cont.)—Distribution of dairy farmers rating cooperative services excellent, according to farm and farmer characteristics

Characteristic	Milk hauling	Performance of field services	Checking milk wts and tests	Providing an assured market	Providing marketing information	Selling milking supplies	Providing policymaking leadership
	Service Rated						
	Percent						
Percentage of total farm income from milk and dairy animal sales:							
Less than 80 percent	52	39	36	58	42	34	35
80 to 89 percent	56	41	42	64	38	31	40
90 to 100 percent	50	38	38	62	43	30	42
Sales value of operation remaining after all debts are repaid:							
Less than 50 percent	52	36	34	56	39	30	37
50 to 99 percent	51	39	40	67	45	31	43
Debt free	54	42	41	61	42	32	40
Age of principal operator:							
Less than 40 yrs old	51	34	33	60	39	31	38
40 to 59 yrs old	51	40	39	63	42	31	42
60 yrs and older	53	40	42	64	46	34	41
Number of years the principal operator has been a dairy farmer:							
Less than 5 years	44	36	33	61	40	38	36
5 to 14 years	51	34	33	59	38	31	34
15 years and longer	53	41	41	63	44	31	44
Length of time marketing through current milk handler:							
Less than 10 years	48	34	34	55	36	24	33
10 years and longer	53	41	41	66	46	36	46
Length of time dairy farmer expects to remain in the dairy business:							
Less than 10 years	53	38	40	64	44	32	42
More than 10 years	53	41	38	66	44	32	46
Not sure	49	36	37	57	39	30	35

also do not seem decisive about other things.

No other patterns were readily apparent among the other farm or farmer characteristics, nor was there much difference between groups in the percentage of farmers rating a cooperative service excellent.

Changes Needed to Keep Cooperative Competitive

The percentage of farmers that agreed with each change proposed to keep the cooperative competitive in the future, according to farm and farmer characteristics, was displayed in table 26. One of the more interesting patterns evident is that the percentage of farmers believing in increasing profitability of milk sold through cooperatives by processing or manufacturing more of their members' milk was always larger than the percent agreeing that cooperatives needed to increase member investment requirements for profitable marketing programs. In other words, while some wanted more processing and/or manufacturing capabilities, fewer were willing to finance it.

Member Participation in Their Cooperative

Some very definite patterns of farmer involvement in cooperative activities were evident among the groups of farmers classified by farm and farmer

characteristics (Table 27). The larger the farm in terms of herd size, annual milk production per cow, and acreage, the higher the percentage of farmers that participated in each cooperative activity or function. Presumably, the operators of larger farms had more vested interests in seeing the cooperative operate properly. Larger operations may also give farmers more flexibility to participate in these activities. In addition, the higher the percentage of total farm income that was strictly from the sale of milk and dairy animals, the higher the level of participation.

Among the types of ownership arrangements, farmers that were individual owners had the lowest level of involvement in cooperative activities, except for reading cooperative publications. The highest percentage of farmers that maintained close contact with cooperative fieldmen and management and that attended meetings were in some type of a partnership. The operators who were part of a family corporation had the highest level of participation in most of the cooperative functions. This may indicate that individual owner/operators of dairy farms are too busy to be involved in, or didn't care about, the various cooperative activities.

Table 26—Distribution of dairy farmers agreeing with changes needed for cooperative to keep competitive in future, according to farm and farmer characteristics

	Changes Needed						
Characteristic	Process/ manufacture more milk	Increase member investment	Merge hauling w/co-ops	Merge all operations w/co-ops	Plant ownership w/co-ops	Plant ownership w/non-coops	Market milk only
				Percent			
Size of milking herd:							
Less than 75 cows	49	14	16	8	15	7	12
75 to 149 cows	51	19	19	10	19	12	15
150 to 299 cows	56	17	28	12	22	12	16
300 cows and over	39	20	25	21	17	9	14
Annual milk production per cow:							
Less than 12,000 lb	49	18	17	10	17	11	13
12,000 to 13,999 lb	50	16	15	10	16	8	12
14,000 to 15,999 lb	54	17	20	10	16	10	12
16,000 lb and more	50	18	24	11	20	11	17
Total acres in dairy operation:							
Less than 100 acres	39	14	17	7	10	6	15
100 to 499 acres	50	16	18	10	16	10	13
500 to 999 acres	55	20	20	12	24	10	15
1,000+ acres	47	21	30	21	20	9	19
Ownership arrangement of dairy operation:							
Individual owner	50	16	19	10	16	10	13
Father/son partner.	50	18	16	9	17	8	14
Other partnership	52	15	19	8	22	8	14
Family corporation	45	23	25	14	16	8	13
Own facilities	50	16	19	10	17	9	14
Rent facilities	49	18	19	9	20	11	12

(Cont.)

Table 26 (Cont.)—Distribution of dairy farmers agreeing with changes needed for cooperative to keep competitive in future, according to farm and farmer characteristics

Characteristic	Changes Needed						
	Process/ manufacture more milk	Increase member investment	Merge hauling w/co-ops	Merge all operations w/co-ops	Plant ownership w/co-ops	Plant ownership w/non-coops	Market milk only
	Percent						
Percentage of total farm income from milk and dairy animal sales:							
Less than 80 percent	47	17	19	10	16	7	14
80 to 89 percent	55	20	20	11	20	12	12
90 to 100 percent	49	16	19	10	17	9	14
Sales value of operation remaining after all debts are repaid:							
Less than 50 percent	52	18	22	12	18	11	14
50 to 99 percent	50	16	19	10	19	9	12
Debt free	47	18	17	8	13	7	15
Age of principal operator:							
Less than 40 yrs old	51	14	20	10	18	12	15
40 to 59 years old	50	18	20	10	18	9	13
60 yrs and older	47	17	14	8	13	7	13
Number of years the principal operator has been a dairy farmer:							
Less than 5 years	55	19	19	11	17	11	8
5 to 14 years	52	16	21	11	20	10	14
15 years and longer	48	17	18	10	16	9	14
Length of time marketing through current milk handler:							
Less than 10 years	43	16	20	10	13	9	18
10 years and longer	55	17	19	11	20	10	10
Length of time dairy farmer expects to remain in the dairy business:							
Less than 10 years	51	19	18	10	17	8	13
More than 10 years	52	17	22	12	22	13	15
Not sure	46	15	16	8	12	7	12

Conclusions on the Evaluation by Farm and Farmer Characteristics

The level of satisfaction with the current milk handler seemed most correlated with the herd size, the ownership arrangement, and the length of time that farmers marketed through their current handler. The farm or farmer characteristics seemed to have no relation to whether or not the farmers changed handlers in the past 5 years. No matter what the breakdown, price was always the dominant reason for changing handlers, while an assured market and a stable and secure operation were the most frequent reasons for staying with the same handler. However, different patterns in the percentage of farmers indicating a specific reason for changing handlers were seen, according to the farm or farmer characteristics. For those staying with the same handler, the percentage of farmers indicating each reason was rather uniform among categories.

Operators of large dairy farms, in terms of herd size and acreage, acknowledged their cooperative's performance much more readily than smaller farmers. Larger farmers also more frequently considered their cooperative's provision of certain

Table 27—Percentage of dairy farmers that participated in cooperative activities, according to farm and farmer characteristics

Characteristic	Attended meetings	Voted	Read publications	Close contact fieldmen	Contacted management	Served on committee	Served as a delegate	Served as a director	Total farmers
	Percent								(Number)
Size of milking herd:									
Less than 75 cows	49	50	77	48	39	5	2	4	739
75 to 149 cows	61	60	81	57	49	11	6	8	753
150 to 299 cows	73	67	82	65	59	18	9	16	303
300 cows and over	84	79	91	66	76	40	22	37	148
Annual milk production per cow:									
Less than 12,000 lb	48	50	77	50	42	6	3	5	288
12,000 to 13,999 lb	54	57	78	49	44	8	6	8	413
14,000 to 15,999 lb	63	63	86	57	49	12	6	10	538
16,000 lb and more	68	63	80	62	58	19	9	15	627
Total acres in dairy operation:									
Less than 100 acres	49	49	74	45	46	7	3	7	258
100 to 499 acres	57	57	80	53	45	10	6	8	1,399
500 to 999 acres	69	64	81	63	55	18	9	16	321
1,000+ acres	82	81	87	69	76	36	21	29	101
Ownership arrangement of dairy operation:									
Individual owner	57	57	81	52	46	9	5	8	1,229
Father/son partner.	62	59	78	60	49	13	6	11	326
Other partnership	63	61	79	59	49	13	6	11	218
Family corporation	61	64	80	57	59	22	14	20	229
Other	65	62	83	60	50	13	12	10	52
Own facilities	60	60	80	57	49	12	7	11	1,747
Rent facilities	55	51	81	45	46	6	5	4	255

(Cont.)

services as excellent (such as providing an assured market, market information, and leadership in policymaking, and in checking milk weights and tests). However, because the herd size, annual milk production per cow, and farm acreage differed markedly between regions, the grouping of farmers' evaluations of their handlers by certain farm characteristics may also reflect the milk handler situation and farmer attitudes in a particular region.

Older operators, those that had been dairying longer, and those marketing through their cooperative longer also followed the pattern of the larger farmers. Since these groups of farmers also more frequently participated in the various activities of their cooperatives, there may be a relationship between the high marks given their cooperatives and the level of personal involvement.

Table 27 (cont.)—Percentage of dairy farmers that participated in cooperative activities, according to farm and farmer characteristics

Characteristic	Attended meetings	Voted	Read publica-tions	Close contact fieldmen	Contacted manage-ment	Served on com-mittee	Served as a delegate	Served as a director	Total farmers
	Percent								*(Number)*
Percentage of total farm income from milk and dairy animal sales:									
Less than 80 percent	50	51	76	52	41	9	6	6	375
80 to 89 percent	64	56	78	55	48	13	7	10	321
90 to 100 percent	61	61	82	56	51	12	7	11	1,338
Sales value of operation remaining after all debts repaid:									
Less than 50 percent	54	52	79	51	50	9	5	7	660
50 to 99 percent	65	64	82	57	51	15	8	12	924
Debt free	56	59	78	57	41	10	5	9	400
Age of principal operator:									
Less than 40 years old	57	52	80	50	46	7	4	4	578
40 to 59 years old	61	61	82	57	51	14	7	12	1,055
60 years and older	59	63	78	60	47	14	10	12	384
Number of years the principal operator has been a dairy farmer:									
Less than 5 years	46	36	80	44	48	1	0	1	133
5 to 14 years	57	55	81	50	45	8	5	5	543
15 years and longer	62	62	81	58	50	15	8	13	1,341
Length of time marketing through current milk handler:									
Less than 10 years	51	48	76	46	46	7	4	7	883
10 years and longer	66	67	84	62	50	15	9	13	1,131
Length of time dairy farmer expects to remain in the dairy business:									
Less than 10 years	60	58	79	57	51	12	7	11	480
More than 10 years	68	63	83	59	54	14	8	11	768
Not sure	50	54	78	49	42	9	5	7	796

Appendix

Appendix Table 1—Level of satisfaction by dairy farm/farmer characteristics and type of handler

Characteristic	Very Satis-fied	Satis-fied	Unsatis-fied	Very Unsatis-fied	Total Farmers
	Satisfaction Level				
	Percent				*(Number)*
Herd size:					
Less than 75 cows					
Bargaining-only	39	55	6	1	174
Bargaining/operating	23	62	12	4	556
Proprietary	48	48	4	1	170
75 to 149 cows					
Bargaining-only	33	59	6	2	224
Bargaining/operating	28	60	9	4	519
Proprietary	47	50	3	1	150
150 to 299 cows					
Bargaining-only	40	49	7	7	110
Bargaining/operating	30	56	13	1	188
Proprietary	34	60	6	0	53
300 cows and over					
Bargaining-only	47	39	11	3	98
Bargaining/operating	24	68	6	2	50
Proprietary	38	63	0	0	16
Number of years as a dairy farmer:					
Less than 5					
Bargaining-only	32	61	2	5	44
Bargaining/operating	26	52	19	2	88
Proprietary	50	46	0	4	26
5 to less than 15					
Bargaining-only	31	56	10	4	157
Bargaining/operating	24	61	12	3	378
Proprietary	55	44	2	0	117
15 years and longer					
Bargaining-only	39	53	7	1	429
Bargaining/operating	28	60	9	3	898
Proprietary	43	53	4	0	271

(Cont.)

Appendix Table 1 (cont.)—Level of satisfaction by dairy farm/farmer characteristics and type of handler

Characteristic	Satisfaction Level: Very Satis-fied	Satis-fied	Unsatis-fied	Very Unsatis-fied	Total Farmers
	Percent				*(Number)*
Number of different premiums, bonuses, supplementary payments, etc., received:					
None					
Bargaining-only	27	68	5	0	123
Bargaining/operating	29	59	9	4	273
Proprietary	49	43	6	1	97
Only one					
Bargaining-only	27	60	9	4	194
Bargaining/operating	25	62	10	4	251
Proprietary	41	54	4	0	112
Two or more					
Bargaining-only	45	47	6	1	324
Bargaining/operating	26	60	12	3	876
Proprietary	48	51	1	0	216
Whether or not changed handlers in last 5 years:					
Changed					
Bargaining-only	41	49	8	3	118
Bargaining/operating	29	55	13	3	69
Proprietary	52	46	1	1	159
Did not change					
Bargaining-only	37	54	7	2	460
Bargaining/operating	26	60	11	3	1,262
Proprietary	41	54	4	0	231
Had to change					
Bargaining-only	37	58	5	0	43
Bargaining/operating	8	78	11	3	36
Proprietary	45	50	5	0	20
Milk price comparison with other dairy farmers' prices in area:					
My prices were higher					
Bargaining-only	60	36	3	1	176
Bargaining/operating	51	45	2	1	82
Proprietary	64	35	1	0	134
My prices were the same					
Bargaining-only	29	63	6	2	172
Bargaining/operating	30	64	5	1	394
Proprietary	37	60	2	1	108
My prices were lower					
Bargaining-only	12	36	36	16	25
Bargaining/operating	5	51	31	13	245
Proprietary	21	57	21	0	14
My prices were both higher and lower					
Bargaining-only	25	63	11	1	138
Bargaining/operating	26	61	12	1	174
Proprietary	34	62	5	0	65
Don't know					
Bargaining-only	38	58	5	0	111
Bargaining/operating	29	65	5	1	400
Proprietary	42	53	4	1	81

Appendix Table 2—Distribution of farmers, according to satisfaction level and milk handler situation over past 5 years

Handler Situation	Very Satisfied	Satisfied	Unsatisfied	Very Unsatisfied	Total Farmers
	Percent				*(Number)*
Whether or not changed handlers in past 5 years:					
Changed handlers by choice	44	49	6	2	346
Did not change handlers	31	57	9	3	1,980
"Had to" change handlers	28	64	7	1	99
Number of times farmer switched milk handlers in past 5 years:					
Once	40	52	6	2	394
Twice or more	41	51	6	1	51
Number of alternative handlers currently in the area:					
None	30	61	8	1	720
One	35	55	8	2	544
Two or more	33	55	9	3	1,245
Type(s) of alternative handler(s)					
...to cooperative:					
Proprietary plants only	13	67	15	5	197
Cooperatives only	37	52	9	2	702
Both	27	57	11	5	489
Neither	29	62	7	1	644
...to proprietary handler:					
Cooperatives only	49	45	5	1	148
Both	46	54	0	0	205
Neither	40	52	6	2	65
Contact by proprietary plant or cooperative representative about purchasing farmer's milk:					
No contact	33	57	8	2	2,322
Contacted	32	52	12	4	187

Appendix Table 3—Distribution of dairy farmers according to various cooperative criteria, by opinions about their co-op's performance

Criterion	Opinion				
	Agree	Tend to Agree	Tend to Disagree	Disagree	No opinion or Non-Response
			Percent		
My co-op provides me with a better price:					
Bargaining-only	40	25	5	5	25
Bargaining/operating	21	30	14	15	19
My co-op provides me with better services:					
Bargaining-only	30	28	7	6	30
Bargaining/operating	39	32	6	4	19
My co-op keeps me well informed about its situations:					
Bargaining-only	40	23	6	8	23
Bargaining/operating	52	26	5	5	11
My co-op management is doing a good job:					
Bargaining-only	40	26	6	3	25
Bargaining/operating	38	33	8	8	13
My co-op treats all its members equitably:					
Bargaining-only	42	23	5	4	27
Bargaining/operating	41	29	9	7	14
My co-op does a good job holding down its costs:					
Bargaining-only	37	26	5	4	28
Bargaining/operating	28	34	13	9	16
My co-op provides significant benefits to nonmembers:					
Bargaining-only	11	11	6	10	62
Bargaining/operating	21	20	8	9	43
	Number of farmers				
Bargaining-only	657				
Bargaining/operating	1,423				

Appendix Table 4—Distribution of dairy farmers, by type of current cooperative, by belief in changes needed to keep their cooperative competitive

Changed Needed	Agree	Undecided	Disagree	Non-Response
		Opinion		
			Percent	
Process or manufacture more of members' milk to increase profits:				
Bargaining-only	34	23	18	24
Bargaining/operating	56	24	7	13
Increase member investments as needed for profitable marketing programs:				
Bargaining-only	14	30	32	24
Bargaining/operating	18	38	30	14
Merge hauling operations with other cooperatives:				
Bargaining-only	18	20	39	23
Bargaining/operating	19	33	34	13
Merge all operations with other cooperatives:				
Bargaining-only	10	19	48	24
Bargaining/operating	10	27	49	13
Engage in plant ownership with other cooperatives:				
Bargaining-only	9	23	44	24
Bargaining/operating	20	35	31	14
Engage in plant ownership with noncooperatives:				
Bargaining-only	5	25	46	24
Bargaining/operating	11	32	43	14
Just market milk, no hauling, processing, etc.:				
Bargaining-only	24	20	32	23
Bargaining/operating	9	20	57	14
		Number of farmers		
Bargaining-only cooperatives		657		
Bargaining/operating cooperatives		1,423		

Appendix Table 5—Percentage of dairy farmers in each region, by degree of influence of the specified reason for changing milk handler

Reason for Change	Strong	Moderate	Weak	None	No Response
	Influence for Change				
	Percent				
Low milk prices:					
Carolinas	63	16	6	3	13
East South Central	56	11	2	8	22
Southeast	46	6	9	6	34
Virginia	69	7	7	7	10
West South Central	58	14	2	8	18
Deductions too high:.					
Carolinas	31	17	13	17	22
East South Central	33	15	5	15	32
Southeast	9	14	9	17	51
Virginia	34	17	10	7	31
West South Central	40	16	2	8	34
Excessive hauling charges:					
Carolinas	22	16	11	23	28
East South Central	12	13	7	30	39
Southeast	14	9	11	20	46
Virginia	21	17	14	17	31
West South Central	32	16	4	16	32
Poor services:					
Carolinas	5	11	11	39	34
East South Central	11	8	7	33	41
Southeast	14	11	6	23	46
Virginia	14	10	7	38	31
West South Central	24	10	10	16	40
Incorrect BF testing:					
Carolinas	11	5	9	42	33
East South Central	7	12	8	32	41
Southeast	9	6	9	26	51
Virginia	14	10	7	34	34
West South Central	10	10	4	30	46
Personal reasons:					
Carolinas	19	9	0	38	34
East South Central	22	5	4	28	40
Southeast	9	9	6	26	51
Virginia	24	10	3	28	34
West South Central	10	8	4	34	44

(Cont.)

Appendix Table 5 (cont.)—Percentage of dairy farmers in each region, by degree of influence of the specified reason for changing milk handler

Reason for Change	Influence for Change				
	Strong	Moderate	Weak	None	No Response
	Percent				
Dropped by former handler:					
Carolinas	0	0	0	59	41
East South Central	5	0	1	50	45
Southeast	3	3	3	37	54
Virginia	0	3	0	55	41
West South Central	2	0	0	50	48
Actively recruited by fieldmen:					
Carolinas	5	8	5	45	38
East South Central	14	10	5	30	41
Southeast	9	6	9	23	54
Virginia	7	3	0	48	41
West South Central	2	14	2	30	52
Other:					
Carolinas	19	0	0	0	81
East South Central	1	0	0	1	98
Southeast	0	0	0	0	100
Virginia	34	0	0	0	66
West South Central	0	0	0	0	100
	Number of farmers:				
Carolinas		64			
East South Central		169			
Southeast		35			
Virginia		29			
West South Central		50			

Appendix Table 6—Percentage of dairy farmers in each region, by degree of influence of the specified reason for staying with the same milk handler

Reason to Stay	Degree of Influence				
	Strong	Moderate	Weak	None	No Response
	Percent				
Better price:					
Carolinas	28	39	9	7	16
East South Central	27	32	8	10	23
Southeast	36	34	6	7	17
Virginia	25	34	11	13	18
West South Central	37	35	4	8	16
Low or no deductions/assessments:					
Carolinas	11	33	18	14	24
East South Central	14	33	13	12	28
Southeast	17	35	12	14	22
Virginia	17	35	11	14	23
West South Central	18	34	13	14	21
Stable and secure operation:					
Carolinas	56	25	3	2	14
East South Central	58	19	1	3	19
Southeast	68	19	3	0	10
Virginia	65	15	2	4	14
West South Central	68	17	2	2	11
Always sold to this handler:					
Carolinas	43	20	7	11	20
East South Central	47	15	5	10	23
Southeast	49	15	9	7	20
Virginia	60	12	5	9	14
West South Central	48	18	5	12	18
Field services offered:					
Carolinas	23	27	14	15	21
East South Central	36	27	7	6	24
Southeast	29	25	16	9	21
Virginia	39	29	7	9	16
West South Central	42	18	12	12	16
Favorable hauling charges:					
Carolinas	30	29	15	9	18
East South Central	30	34	8	6	23
Southeast	32	30	12	9	17
Virginia	36	31	8	8	16
West South Central	35	31	10	8	16

(Cont.)

Appendix Table 6 (cont.)—Percentage of dairy farmers in each region, by degree of influence of the specified reason for staying with the same milk handler

Reason to Stay	Degree of Influence				
	Strong	Moderate	Weak	None	No Response
	Percent				
Capable and friendly personnel:					
Carolinas	42	25	9	7	18
East South Central	43	27	4	3	22
Southeast	43	32	6	4	15
Virginia	45	25	5	7	18
West South Central	46	26	6	5	16
Assured market:					
Carolinas	53	24	4	3	16
East South Central	60	17	2	2	19
Southeast	71	14	2	0	12
Virginia	66	17	0	4	13
West South Central	66	16	2	2	14
Loyalty to current handler:					
Carolinas	29	27	10	11	22
East South Central	28	26	8	10	27
Southeast	36	23	10	9	22
Virginia	39	23	5	14	20
West South Central	34	24	9	12	20
Selling breed milk:					
Carolinas	8	7	5	47	33
East South Central	8	11	6	32	42
Southeast	5	7	6	46	36
Virginia	7	9	5	44	36
West South Central	10	12	6	40	33
Other:					
Carolinas	7	0	0	0	93
East South Central	4	0	0	1	95
Southeast	0	0	0	0	100
Virginia	7	0	0	0	93
West South Central	0	0	0	0	100

Appendix Table 7—Percentage of dairy farmers in each region, by opinions of their cooperative

Criterion	Opinion				
	Agree	Tend to Agree	Tend to Disagree	Disagree	No opinion or Non-Response
			Percent		
My cooperative provides me a better price for my milk than I could get from other handlers:					
Carolinas	22	32	11	10	24
East South Central	22	27	14	15	22
Southeast	34	33	6	9	17
Virginia	26	30	11	7	26
West South Central	37	24	10	11	18
My cooperative provides better services than I could get from other handlers:					
Carolinas	22	34	6	6	32
East South Central	36	30	7	4	23
Southeast	41	35	5	4	16
Virginia	31	34	5	3	28
West South Central	46	25	6	6	17
My cooperative keeps me well informed on changes in the cooperatives operations, financial conditions, and marketing problems:					
Carolinas	36	28	7	9	20
East South Central	48	26	6	5	15
Southeast	49	27	8	5	12
Virginia	50	24	6	5	14
West South Central	56	21	4	6	13
My cooperative management is doing a good job:					
Carolinas	32	30	9	7	22
East South Central	33	31	10	8	19
Southeast	42	34	7	5	12
Virginia	46	30	4	6	14
West South Central	45	30	6	6	14

(Cont.)

Appendix Table 7 (cont.)—Percentage of dairy farmers in each region, by opinions of their cooperative

Criterion	Opinion				
	Agree	Tend to Agree	Tend to Disagree	Disagree	No opinion or Non-Response
			Percent		
My cooperative treats all its members equitably:					
Carolinas	37	25	7	4	27
East South Central	38	29	9	6	18
Southeast	44	29	9	7	12
Virginia	43	25	7	7	18
West South Central	47	24	7	6	16
My cooperative does a good job in holding down operating and marketing costs:					
Carolinas	25	32	10	7	27
East South Central	26	31	13	9	21
Southeast	37	35	8	6	13
Virginia	34	31	9	7	19
West South Central	38	30	8	6	18
My cooperative provides significant benefits to nonmembers:					
Carolinas	14	15	5	10	56
East South Central	19	17	9	9	46
Southeast	19	17	7	10	47
Virginia	16	18	7	7	52
West South Central	19	16	6	9	50
			Number of farmers		
Carolinas			316		
East South Central			786		
Southeast			275		
Virginia			271		
West South Central			432		

Appendix Table 8—Distribution of dairy farmers according to satisfaction level and farm/farmer characteristics

Characteristic	Satisfaction Level				
	Very Satis-fied	Satis-fied	Unsatis-fied	Very Unsatis-fied	Total Farmers
	Percent				(Number)
Size of milking herd:					
Less than 74 cows	31	58	9	2	909
75 to 149 cows	32	58	7	3	900
150 to 299 cows	34	54	10	2	353
300 cows and over	40	49	9	2	171
Annual milk production per cow:					
Less than 12,000 pounds	28	60	9	3	347
12,000 to 13,999 pounds	29	61	8	2	496
14,000 to 15,999 pounds	35	54	9	3	640
16,000 pounds and over	34	56	8	2	755
Total acres in dairy operation:					
Less than 100 acres	32	57	8	3	302
100 to 499 acres	32	57	9	2	1,697
500 to 999 acres	35	55	9	2	387
1,000 acres and larger	29	62	6	3	122
Ownership arrangement of the dairy operation:					
Individual owner	32	56	9	2	1,474
Father/son partnership	33	58	8	2	398
Other partnership	30	59	8	3	273
Family corporation	38	54	5	3	273
Facilities are:					
- Owned	33	56	9	2	2,124
- Rented	30	59	9	3	297
Percentage of total income from farm sales that came from the sale of milk and dairy animals:					
Less than 80 percent	31	59	8	2	483
80 to 89 percent	30	58	9	3	380
90 to 100 percent	33	55	9	2	1,595
Percentage of sales value of entire farming operation retainable after all debts had been paid:					
Less than 50 percent	32	56	10	3	800
50 to 99 percent	33	56	9	2	1,113
Debt free	33	57	8	3	481

Appendix Table 8 (cont.)—Distribution of dairy farmers according to satisfaction level and farm/farmer characteristics

Characteristic	Satisfaction Level				
	Very Satis-fied	Satis-fied	Unsatis-fied	Very Unsatis-fied	Total Farmers
	Percent				(Number)
Age of principal operator:					
Less than 40 years old	31	58	9	2	698
40 to 59 years old	33	56	9	2	1,289
60 years and older	34	57	7	2	446
Number of years since the age of 18 the principal operator had been a farmer:					
Less than 5 years	31	54	11	3	160
5 to 14 years	31	56	10	3	659
15 years and longer	33	57	8	2	1,619
Length of time marketing milk through current handler:					
Less than 2 years	41	51	5	2	171
2 to less than 5 years	34	57	8	2	515
5 to 10 years	28	60	9	3	501
10 years and longer	33	56	9	3	1,231
How much longer farmers expect to remain in the dairy business:					
10 years or less	32	58	7	2	588
More than 10 years	36	53	8	3	920
Not sure	29	59	10	2	963

Appendix Table 9—Distribution of dairy farmers by farm characteristics for those indicating the specified reason for changing milk handler was a strong or moderate influence in the decision

Characteristic	Reason for Change: Low Milk Prices	High Deductions	Excessive Hauling Charges	Poor On-Farm Services	Incorrect BF Testing
	Percent				
Size of milking cow herd:					
Less than 75 cows	48	33	22	20	19
75 to 149 cows	64	40	27	14	13
150 to 299 cows	54	42	27	18	11
300 cows and over	34	23	26	11	6
Annual milk production per cow:					
Less than 12,000 lb	47	35	29	27	16
12,000 to 13,999 lb	42	29	23	16	14
14,000 to 15,999 lb	59	40	24	17	17
16,000 lb and more	64	41	25	11	11
Dairy farm acreage:					
Less than 100 acres	33	26	14	19	17
100 to 499 acres	58	38	26	17	15
500 to 999 acres	54	39	25	15	9
1,000 acres and over	52	40	32	16	20
Ownership arrangement of dairy farm:					
Individual owner	53	34	25	18	15
Father/son partnership	59	42	26	15	16
Other partnership	52	40	22	10	10
Family corporation	53	41	25	18	12
Facilities:					
- Owned	54	37	24	16	14
- Rented	52	39	27	23	18
Percentage of total farm income from the sale of milk and dairy animals:					
Less than 80 percent	52	43	22	19	14
80 to 89 percent	45	27	18	13	12
90 to 100 percent	57	37	27	17	15
Percentage of sales value of entire farming operation left over after debts repaid:					
Less than 50 percent	56	36	29	24	16
50 to 99 percent	55	39	23	13	14
Debt free	46	33	19	7	15

(Cont.)

Appendix Table 9 (cont.)—Distribution of dairy farmers by farm characteristics for those indicating the specified reason for changing milk handler was a strong or moderate influence in the decision

Characteristic	Reason for Change			
	Personal Reasons	Dropped by Former Handler	Other	Total Farmers
	----------------	*Percent*	--------------	*(Number)*
Size of milking cow herd:				
Less than 75 cows	23	3	6	149
75 to 149 cows	20	3	7	165
150 to 299 cows	20	3	4	74
300 cows and over	9	3	3	35
Annual milk production per cow:				
Less than 12,000 lb	22	2	2	51
12,000 to 13,999 lb	19	4	8	113
14,000 to 15,999 lb	20	4	7	116
16,000 lb and more	22	1	4	134
Dairy farm acreage:				
Less than 100 acres	22	0	9	58
100 to 499 acres	21	3	5	279
500 to 999 acres	14	2	2	85
1,000 acres and over	24	4	16	25
Ownership arrangement:				
Individual owner	21	3	7	257
Father/son partnership	20	5	5	74
Other partnership	24	2	2	50
Family corporation	12	0	6	51
Facilities are:				
- Owned	20	3	5	383
- Rented	23	2	9	44
Percentage of total farm income from the sale of milk and dairy animals:				
Less than 80 percent	23	4	4	83
80 to 89 percent	32	3	2	60
90 to 100 percent	17	2	7	292
Percentage of sales value of entire farming operation left over after debts repaid:				
Less than 50 percent	22	2	7	165
50 to 99 percent	22	4	6	192
Debt free	10	1	1	67

Appendix Table 10—Distribution of dairy farmers by farmer characteristics for those indicating the specified reason for changing milk handler was a strong or moderate influence in the decision

Farmer Characteristic	Reason for Change: Low Milk Prices	High Deductions	Excessive Hauling Charges	Poor On-Farm Services	Incorrect BF Testing
	Percent				
Age of principal operator:					
Less than 40 years	65	40	33	22	20
40 to 59 years	51	35	21	14	13
60 years and older	45	36	20	11	8
Years since the age of 18 in dairying:					
Less than 5 years	57	43	33	24	29
5 to 14 years	52	34	26	17	22
15 years and longer	55	38	24	16	10
Length of time dairy farmer expects to remain in business:					
10 years or less	45	34	27	15	11
More than 10 years	62	43	28	20	14
Not sure	52	33	20	15	18

Farmer Characteristic	Reason for Change: Personal Reasons	Dropped by Former Handler	Other	Total Farmers
	Percent			*(Number)*
Age of principal operator:				
Less than 40 years	32	3	11	127
40 to 59 years	15	2	3	236
60 years and older	17	5	6	64
Years since the age of 18 in dairying:				
Less than 5 years	24	0	5	21
5 to 14 years	23	2	9	145
15 years and longer	19	3	4	269
Length of time dairy farmer expects to remain in business:				
10 years or less	20	3	3	119
More than 10 years	26	4	8	162
Not sure	14	1	5	156

Appendix Table 11—Distribution of dairy farmers by milk handler situation for those indicating that the specified reason for changing milk handler was a strong or moderate influence in decision

Handler Situation	Low Milk Prices	High Deductions	Excessive Hauling Charges	Poor On-Farm Services	Incorrect BF Testing
			Percent		
Number of times changed handlers in past 5 years:					
Once	56	37	25	17	14
Two or more times	39	33	24	18	14
Number of alternatives to current handler:					
None	32	28	17	16	9
One	42	28	19	15	8
Two or more	63	41	28	17	17

Handler Situation	Personal Reasons	Dropped by Former Handler	Other	Total Farmers
	Percent			*(Number)*
Number of times changed handlers in past 5 years:				
Once	20	2	6	396
Two or more times	18	8	8	51
Number of alternatives to current handler:				
None	23	1	1	75
One	14	3	4	79
Two or more	21	3	8	293

Appendix Table 12—Distribution of dairy farmers by farm characteristics where the specified reason was a strong or moderate influence to stay with the same handler

	Reason to Stay				
	Better Price	Low/No Deductions	Secure Operation	Tradition	Field Services Offered
	Percent				
Size of milking herd:					
Less than 75 cows	60	47	79	67	65
75 to 149 cows	65	48	80	63	59
150 to 299 cows	68	55	86	68	59
300 cows and over	70	50	88	55	52
Annual milk production per cow:					
Less than 12,000 lb	61	46	80	64	62
12,000 to 13,999 lb	63	49	82	64	63
14,000 to 15,999 lb	67	50	82	63	62
16,000 lb and over	65	50	83	66	60
Total acres in dairy operation:					
Less than 100 acres	57	40	74	61	55
100 to 499 acres	64	48	80	64	61
500 to 999 acres	68	56	85	65	60
1,000 acres and larger	63	51	89	61	58
Ownership arrangement:					
Individual owner	62	46	80	65	60
Father/son partnership	64	52	82	66	62
Other partnership	66	48	82	66	59
Family corporation	73	55	83	56	63
Dairy facilities:					
- Own	64	48	81	63	60
- Rent	62	51	82	71	60
Percentage of total farm income from the sale of milk and dairy products:					
Less than 80 percent	61	48	78	63	62
80 to 89 percent	65	54	86	71	68
90 to 100 percent	65	48	81	63	58
Percentage of sales value of entire farming operation retainable after all debts had been paid:					
Less than 50 percent	64	48	79	65	59
50 to 99 percent	66	52	84	66	63
Debt free	58	44	76	60	58

(Cont.)

Appendix Table 12 (cont.)—Distribution of dairy farmers by farm characteristics where the specified reason was a strong or moderate influence to stay with the same handler

	Reason to Stay						
	Hauling Charges	Capable/ Friendly Personnel	Assured Market	Loyalty to Handler	Selling Breed Milk	Other	Total Farmers
	Percent						*(Number)*
Size of milking herd:							
Less than 75 cows	65	73	79	57	19	5	759
75 to 149 cows	63	68	80	57	17	4	737
150 to 299 cows	65	75	83	61	17	4	283
300 cows and over	63	70	85	55	15	0	137
Annual milk production per cow:							
Less than 12,000 lb	65	72	79	57	25	3	295
12,000 to 13,999 lb	67	73	79	55	18	4	386
14,000 to 15,999 lb	64	72	83	58	17	3	530
16,000 lb and over	62	71	82	61	15	5	619
Total acres in dairy operation:							
Less than 100 acres	58	68	71	48	16	6	240
100 to 499 acres	64	71	80	58	18	3	1,380
500 to 999 acres	66	72	84	58	18	5	292
1,000 acres and over	66	68	82	58	18	3	90
Ownership arrangement:							
Individual owner	63	70	80	56	18	4	1,186
Father/son partnership	61	72	81	59	20	2	312
Other partnership	71	74	80	60	13	3	219
Family corporation	65	72	79	58	19	4	215
Dairy facilities:							
- Own	64	71	80	57	17	4	1,691
- Rent	59	71	82	55	19	4	247
Percentage of total farm income from the sale of milk and dairy products:							
Less than 80 percent	65	69	76	55	17	5	388
80 to 89 percent	71	75	85	66	22	2	309
90 to 100 percent	62	71	80	56	17	4	1,270
Percentage of sales value of entire farming operation retainable after all debts had been paid:							
Less than 50 percent	61	69	78	55	19	5	616
50 to 99 percent	65	74	83	59	18	3	897
Debt free	66	69	77	59	16	3	399

Appendix Table 13—Distribution of dairy farmers by farmer characteristics where the specified reason was a strong or moderate influence to stay with the same handler

Farmer Characteristic	Reason to Stay: Better Price	Low/No Deductions	Secure Operation	Tradition	Field Services Offered
	Percent				
Age of principal operator:					
Less than 40 years	67	52	85	67	60
40 to 59 years	64	49	82	65	62
60 years and older	57	43	73	57	58
Number of years since the age of 18 the principal operator has been a dairy farmer:					
Less than 5 years	60	43	70	62	57
5 to 14 years	63	50	82	68	61
15 years and longer	65	49	82	63	61
Length of time marketing milk through current handler:					
Less than 10 years	66	49	79	59	54
10 years and longer	62	48	82	67	65
How much longer farmers expect to remain in the dairy business:					
10 years or less	64	49	80	65	57
More than 10 years	67	50	86	66	62
Not sure	61	47	77	62	60

	Reason to Stay: Hauling Charges	Capable/ Friendly Personnel	Assured Market	Loyalty to Handler	Selling Breed Milk	Other	Total Farmers
	Percent						(Number)
Age of principal operator:							
Less than 40 yr	63	73	83	58	19	4	567
40 to 59 yr	66	72	81	59	17	3	1,016
60 yr and older	60	65	73	51	17	5	367
Number of years since the age of 18 the principal operator has been a dairy farmer:							
Less than 5 yr	54	66	70	45	16	7	134
5 to 14 yr	64	72	81	59	19	4	503
15 yr and longer	65	71	81	58	17	3	1,308
Length of time marketing milk through current handler:							
Less than 10 yr	61	70	78	52	17	5	733
10 yr and longer	65	72	81	60	18	3	1,196
How much longer farmer expects to remain in the dairy business:							
10 yr or less	66	68	80	57	16	4	453
More than 10 yr	66	76	85	62	18	3	742
Not sure	60	67	76	53	18	4	781

Appendix Table 14—Distribution of dairy farmers by milk handler situation where the specified reason was a strong or moderate influence to stay with the same handler

Handler Situation	Reason to Stay				
	Better Price	Low/No Deductions	Secure Operation	Tradition	Field Services Offered
	Percent				
Number of alternatives to current handler:					
None	55	42	71	61	54
One only	69	52	83	65	62
Two or more	67	51	86	66	64
Type of alternative handler in area:					
Milk plant only	54	45	85	68	74
Cooperative only	70	55	84	67	59
Both types	69	50	86	62	64

	Reason to Stay						
	Hauling Charges	Capable/ Friendly Personnel	Assured Market	Loyalty to Handler	Selling Breed Milk	Other	Total Farmers
	Percent						(Number)
Number of alternatives current handler:							
None	57	62	72	51	18	7	635
One only	62	71	82	55	16	3	453
Two or more	69	77	84	62	18	2	915
Type of alternative handler:							
Milk plant only	67	73	85	59	24	1	182
Cooperative only	65	73	82	60	16	3	673
Both types	70	78	85	60	16	2	491

MILK MARKETING SURVEY: SOUTHERN DAIRY FARMERS

FARM LOCATION: County or Parish ____________________

FIRST, WE WOULD LIKE TO OBTAIN INFORMATION REGARDING THE SALE OF YOUR MILK

1. Currently, do you sell your milk through a milk marketing cooperative?

   1. YES 2. NO

   IF YES, please list the name of the cooperative

   ____.

   If NO, please list the name and location of the milk plant to whom you sell your milk.

   ____.

2. How long have you been marketing (selling) your milk through the organization identified in question 1 above?

   _________Year(s).

3. Do you have a written contract with the cooperative or milk plant for the sale of your milk?

   1. YES 2. NO

4. How satisfied are your with your current cooperative or milk plant (buyer)? (CIRCLE ONE)

   1. Very satisfied
   2. Satisfied
   3. Unsatisfied
   4. Very unsatisfied

5. Why did you choose to sell your milk through your current cooperative or milk plant? (CIRCLE ALL THAT APPLY).

   1. Pays the highest price
   2. Services offered are better
   3. Only choice I have
   4. Friendly personnel
   5. Other farmers recommended
   6. Lowest deductions
   7. Assured market and payment
   8. Other (list)

   ____

6. In the last 12 months, how many proprietary milk plant or milk marketing cooperative representatives have contacted you about buying your milk?

   _____NUMBER of proprietary milk plant representatives.

   _____NUMBER of milk marketing cooperative representatives.

7. During the last five (5) years, have you sold your milk to buyers other than your current buyer?

   1. YES 2. NO IF NO, please go to QUESTION 10.

   IF YES, please list the milk plant(s) or milk cooperative(s) that you have sold milk to other than your current buyer, then go to QUESTION 8.

   ____

   ____

   ____

8. Since you changed milk buyers, please CIRCLE below the most recent type of change, then go to QUESTION 9.

   1. Changed from one cooperative to another cooperative.
   2. Changed from a cooperative to a proprietary (noncooperative) plant (buyer).
   3. Changed from a proprietary (noncooperative) plant (buyer) to a cooperative.
   4. Changed from one proprietary (noncooperative) plant to another proprietary

   plant (buyer).

9. Did you change to another buyer because your previous buyer went out of business or closed a plant? (CIRCLE)

   1. YES 2. NO IF YES, please go to QUESTION 11.

   IF NO, to what extent did each of the following reasons influence your decision to change? Please CIRCLE ONE NUMBER for each reason.

	DEGREE OF INFLUENCE			
Reasons for changing milk buyer	Strong	Moderate	Weak	None
Milk prices received were too low	1	2	3	4
Special assessments and deductions changed were too high	1	2	3	4
Hauling charges were excessive	1	2	3	4
Poor on-farm services offered	1	2	3	4
Incorrect butterfat testing	1	2	3	4
Personal reasons	1	2	3	4
Dropped by former buyer	1	2	3	4
Actively recruited by fieldman	1	2	3	4

Other (list)____

Now, go to QUESTION 11.

10. NEVER CHANGED BUYER: Since you have never changed milk buyers in the last five (5) years, to what extent has each of the following reasons influenced your decision to stay with the same buyer? Please CIRCLE ONE NUMBER for each reason:

	DEGREE OF INFLUENCE			
Reasons for not changing buyer	Strong	Moderate	Weak	None
Better price	1	2	3	4
No or low deductions and/or assessments	1	2	3	4
Stable and secure operation	1	2	3	4
Always have sold to this buyer	1	2	3	4
Field services offered	1	2	3	4
Favorable hauling charges	1	2	3	4
Capable and friendly personnel	1	2	3	4
Assured market	1	2	3	4
My loyalty to this buyer	1	2	3	4
Selling breed milk	1	2	3	4

Other (list)____

NOW, WE WOULD LIKE SOME INFORMATION ABOUT YOU AND YOUR DAIRY FARM OPERATION

11. What is the size of your dairy herd today?

_____ NUMBER of cows and heifers that have freshened that you milked today.

_____ NUMBER of dry cows today.

_____ NUMBER of other female dairy calves and heifers.

12. What was the total pounds of milk sold from your farm in 1988?

__________ POUNDS of milk sold.

13. What was the average yearly production per cow in your herd in 1988?

__________ POUNDS of milk per cow per year (not daily average).

14. How was the answer to question 13 above determined? (CIRCLE ONLY ONE).

1. Rolling herd average from DHIA records.
2. Herd average from another type record system.
3. Estimated.
4. Other

(list)____

15. How many acres of owned and rented land do you use in your dairy operation?

_____ ACRES of cultivated cropland for the dairy herd.

_____ ACRES of pasture for the dairy herd.

_____ ACRES of land for hay.

_____ ACRES of woodland.

_____ ACRES for loafing area and buildings.

_____ TOTAL ACRES for dairy operation.

16. What is the age of the principal operator of this dairy farm?

_____ YEARS.

17. How many years since age 18 has the principal operator been a dairy farmer?

_____ YEARS.

18. What is the ownership arrangement of this dairy operation? (CIRCLE ONLY ONE)

1. Individual owner 3. Partnership other than father-son

2. Father-son partnership 4. Family corporation

5. Other (list)

____

19. What percent of your total income from all farm sales in 1988 came from the sale of milk and dairy animals? (CIRCLE ONLY ONE).

1. 1-24% 3. 50-69% 5. 80-89%

2. 25-49% 4. 70-79% 6. 90-100%

20. Do you own or rent your dairy milking, feeding and housing facilities? (CIRCLE ONLY ONE).

1. OWN 2. RENT 3. OTHER

(Explain)______________________

21. If you sold your entire farming operation including the dairy herd, what percent of the sales value would you be able to retain after all debts had been paid? (CIRCLE ONLY ONE)

1. None (0), debts exceed assets 4. 50-74%

2. 1-24% 5. 75-99%

3. 25-49% 6. 100% -

currently debt free

22. How much longer do you expect to remain in the dairy business? (CIRCLE ONLY ONE).

1. 5 years or less 3. More than 10 years

2. 6-10 years 4. Not sure

IF YOU ARE NOT A MEMBER OF A MILK MARKETING COOPERATIVE, PLEASE GO TO QUESTION 27
IF YOU ARE A MEMBER OF A MILK MARKETING COOPERATIVE, WE WOULD LIKE YOU TO ANSWER THE FOLLOWING QUESTIONS

23. Please give us your opinion about the performance of your cooperative. (CIRCLE ONE OPINION FOR EACH STATEMENT.)

	Agree	Tend to agree	Tend to disagree	Disagree	No Opinion
My co-op provides me with a better price for my milk than I could get from other buyers	1	2	3	4	5
My co-op provides better services than I could get from other buyers	1	2	3	4	5
My co-op keeps me well informed on changes in the co-op's operations, financial conditions, and marketing problems	1	2	3	4	5
My co-op management is doing a good job	1	2	3	4	5
My co-op does a good job in holding down operating and marketing costs	1	2	3	4	5
My co-op provides significant benefits to nonmembers	1	2	3	4	5

24. Please rate the services provided by your cooperative that best represents your opinion (CIRCLE ONE OPINION FOR EACH SERVICE LISTED.)

	Excellent	Average	Poor	Not offered
Milk hauling (operating routes or arrangements)	1	2	3	4
Performing field services (assisting in production and quality problems)	1	2	3	4
Checking milk weights and tests	1	2	3	4
Providing an assured market	1	2	3	4
Providing marketing information	1	2	3	4
Selling milking supplies and equipment, etc.	1	2	3	4
Providing leadership in policy making matters	1	2	3	4

25. What changes do you believe are needed in the future to ensure that cooperatives are competitive in selling members milk? (PLEASE CIRCLE WHETHER YOU AGREE OR NOT).

	Agree	Undecided	Disagree
Increase profitability of milk sold through co-ops by processing or manufacturing more of their members' milk	1	2	3
Increase member investment requirements as needed for profitable marketing programs	1	2	3
Merge hauling operations with other cooperatives	1	2	3
Merge all operations with other cooperatives	1	2	3
Engage in plant ownership with other cooperatives	1	2	3
Engage in plant ownership with non co-op corporations	1	2	3
Just market milk, do not haul or process milk	1	2	3

26. As a member of a milk marketing cooperative, which of the following did you do during the last twelve months? (CHECK ALL THAT APPLY).

_____ Attended district, division, or annual meetings
_____ Voted in election of delegates or board members
_____ Read co-op magazines and publications
_____ Maintained close contact with cooperative fieldmen and management
_____ Personally contacted cooperative management about problems and concerns
_____ Served on co-op committee
_____ Served as a delegate to annual meeting
_____ Served as director at some level

NOW, WE WOULD LIKE TO OBTAIN INFORMATION FOR ONE MONTH ON THE TOTAL DOLLARS THAT YOU RECEIVED FOR YOUR MILK AND THE DOLLARS THAT WERE DEDUCTED FOR VARIOUS REASONS ALL DATA WILL BE KEPT CONFIDENTIAL

---

27. Please get your DECEMBER 1988 milk receipts stub (FINAL PRODUCER STATEMENT OR TOTAL MONTH SETTLEMENT CHECK) that contains the information on milk sales, gross dollars and deductions.

    IF YOU COULD ENCLOSE A COPY OF THE DECEMBER STUB, I will take from it the necessary information to complete this section. You now go to QUESTION 31.

    IF YOU CANNOT SEND A COPY OF THE STUB TO ME, please use the information from it to complete the following:

    a. List the date of payment __________

    b. List total pounds of milk sold in December __________

    c. List butterfat test for the milk sold __________

    d. List the gross dollar amount before any deductions $__________

28. Please list the TOTAL DOLLARS deducted for each item:

    a. Total dollars deducted for hauling milk $__________

    b. Total dollars deducted for National Dairy Promotion $__________

    c. Total dollars deducted for State Milk Commission $__________

    d. Total dollars deducted for marketing services $__________

    e. Deductions for milk cooperative capital retains $__________

    f. Any other milk cooperative or milk plant deductions $__________

    g. Federal government assessment $ __________

    h. Any other deductions, but not for supplies, assignments for loans, etc.

       (LIST) ____________________________________ $__________

29. Did you receive an "Advance Payment" for milk delivered during the month covered by the milk receipts above? (CIRCLE ONE)

    1. YES   2. NO   IF YES, what was the dollar amount? $__________

30. Did you receive a patronage refund or cooperative capital retains in 1988?

    1. YES   2. NO

    IF YES, please list the amount of patronage refund $__________

    IF YES, please list the amount of cooperative capital retains $__________

31. Have you received any of the following kinds of premiums, bonuses, supplementary payments, etc., in the last 12 months? CIRCLE YES OR NOT OR NOT SURE FOR EACH ONE:

a. A butterfat differential . . . . .YES, NO, NOT SURE

b. Class I price above the Federal or State Order
Class I Price . . . . .YES, NO, NOT SURE

c. A blend price premium or bonus over the
Federal or State Order blend . . . . .YES, NO, NOT SURE

d. A quality milk premium (other than
for butterfat) . . . . .YES, NO, NOT SURE

e. Seasonal price incentive (other than base-excess
price). . . . . YES, NO, NOT SURE

f. A milk volume price incentive . . . . .YES, NO, NOT SURE

g. Any other supplementary payment . . . . YES, NO, NOT SURE

Explain what kind____

32. Over the last 12 months, how have the prices you received for you milk compared with the prices for milk received by other dairy farmers in you area? (CIRCLE ONE)

1. My prices were higher
2. My prices were about the same
3. My prices were lower
4. My prices were higher than some and lower than others
5. I don't know

33. Please list the names of all other cooperatives and milk plants that pick up milk in your area. (Do not include you buyer).

____

____

____

In this space please make additional comments that you have concerning milk marketing or milk policy issues.

PLEASE RETURN THE COMPLETED QUESTIONNAIRE IN THE ENCLOSED ADDRESSED POSTAGE-PAID ENVELOPE.

- THANK YOU -

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Agricultural Cooperative Service
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The agency (1) helps farmers and other rural residents develop cooperatives to obtain supplies and services at lower cost and to get better prices for products they sell; (2) advises rural residents on developing existing resources through cooperative action to enhance rural living; (3) helps cooperatives improve services and operating efficiency; (4) informs members, directors, employees, and the public on how cooperatives work and benefit their members and their communities; and (5) encourages international cooperative programs.

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